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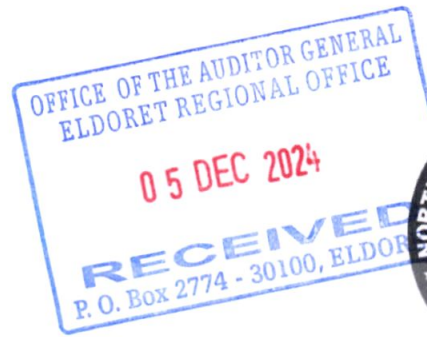
CLERK-AT-THE-TABLE: Halima Ahmed

**THE AUDITOR-GENERAL**

**ON**

**NORTH RIFT VALLEY WATER WORKS  
DEVELOPMENT AGENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2024**



Enhanced Access to Safe Water

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**NORTH RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

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

**North Rift Valley Water Works Development Agency  
Annual Report and Financial Statements  
for the year ended June 30, 2024.**

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## **1. Acronyms, Abbreviations and Glossary of Terms**

### **A: Acronyms and Abbreviations**

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor
NRVWDA	North Rift Valley Water Works Development Agency

### **B: Glossary of Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organisation

**Comparative Year-** Means the prior period.

## **2. Key Agency Information and Management**

### **(a) Background information**

North Rift Valley Water Works Development Agency (NRVWWDA) is one of the nine (9) Water Works Development Agencies under the Ministry of Water, Sanitation and Irrigation (MoWSI). It was established *vide* Kenya Gazette Supplement No. 5 of 7<sup>th</sup> February 2020 pursuant to the Water Act No. 43 of 2016. The Agency offices are located in Eldoret town.

The Agency covers the counties of Usain Gishu, West Pokot, Turkana and Elgeyo-Marakwet with a total population of approximately 3.2 Million and an area of approximately 83,000 km<sup>2</sup> as per 2019 National Census. It was carved from the former Rift Valley Water Works Development Agency (*West Pokot, Turkana and Elgeyo-Marakwet counties*) and Lake Victoria North Water Works Development Agency (*Usain Gishu County*). The Agency was operationalized by the Ministry of Water, Sanitation and Irrigation through the deployment of staff on 15<sup>th</sup> July 2020.

### **(b) Principal Activities**

NRVWWDA is responsible for efficient and economical provision of water and sanitation services within its area of jurisdiction as mandated by Section 68 of the Water Act 2016.

The specific functions of NRVWWDA are as outlined below:

- a. Undertake the development, maintenance and management of the national public water works within its area of jurisdiction.
- b. Operate the waterworks and provide water services as a water service provider, until such a time as responsibility for the operation and management of the waterworks are handed over to a county government, joint committee, authority of county governments or water services provider within whose area of jurisdiction or supply the waterworks is located.
- c. Provide reserve capacity for purposes of providing water services where pursuant to section 103, the Regulatory Board orders the transfer of water services functions from a defaulting water services provider to another licensee.
- d. Provide technical services and capacity building to such county governments and water services providers within its area as may be requested.
- e. Provide to the Cabinet Secretary technical support in the discharge of his or her functions under the Constitution and the water Act 2016.

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**a) *Vision Statement***

Sustainable water and sanitation infrastructure for socio-economic transformation

**b) *Mission Statement***

Develop, manage and maintain sustainable water and sanitation facilities for enhanced livelihood and economic development.

**c) *Core values***

**Integrity:** We are committed to acting in honest, accountable and transparent manner in all our undertakings.

**Professionalism:** We are committed to the highest level of competency and pertinent skills in all our endeavours.

**Innovativeness:** we are committed to be embrace new ideas and technologies to improve efficiencies in our projects.

**Teamwork:** We are committed to consult and pull our efforts for enhanced service delivery.

**Inclusivity:** The Agency will involve all stakeholders and discharge its mandate without discrimination

**Sustainable development:** The Agency will pursue development that satisfies the needs of the present generation without compromising the capacity of future generations, guaranteeing balance between economic development, care for the environment and social wellbeing.

**(c) *Key Management***

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

No.	Designation	Name
1.	Board of Directors	Board of Directors
2.	Chief Executive Officer	CPA. Edwin Rotich
3.	General Manager Infrastructure Development	Eng. Jimmy Kemboi
4.	Manager Supply Chain Management	Isaac Chirchir
5.	Manager Human Resources & Administration	Miriam Birgen
6.	Ag. Manager Finance	CPA Titus Chesire

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**Key Agency Information and Management (continued)**

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Edwin C. Rotich
2.	Head of Human Resources & Administration	Miriam Birgen
3.	Head of Infrastructure Development	Eng. Jimmy Kemboi
4.	Head of Finance and Accounting	CPA Titus Chesire
5.	Head of Supply Chain Management	Isaac Chirchir

**(e) Fiduciary Oversight Arrangements**

Ministry of Water, Sanitation and Irrigation- Reviews the budget approved by the Board of Directors in order to ensure that the Government strategic objectives and policies are incorporated.

Blue Economy and Irrigation Committee - The Committee ensures that there is value for money for all projects undertaken by the Board.

State Corporations Advisory Committee (SCAC) - The Committee is mandated to advise the board on the general administration issues.

Inspectorate of State Corporations- Evaluates the results of the board based on the agreed performance targets.

Board of Directors; - Overall oversight and direction of all the board activities, the following are committees of the Board;

- i. Finance and Administration Committee, whose main duties are: - to review financial statements and annual budgets; Financial performance; Strategic planning and annual performance reviews.
- ii. Risk, Governance & Audit Committee, whose main duty is to ensure that the systems of internal control are affected to mitigate on risks.
- iii. Technical Services Committee, whose focus is on issues arising from the Agency's stewardship of essential water and sanitation infrastructure. The committee is also tasked to

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ensure environment and social safeguards are adhered to during planning and development of water and sanitation infrastructure.

Development partner oversight activities;- for projects funded by external development partners, quarterly reports are submitted. The funds are audited by external auditors appointed by the Development Partners on an annual basis.

**(f) Agency Headquarters**

Office of the Auditor General (OAG) Building (2<sup>nd</sup> Floor),  
Furfural Road, Opposite Public Works (Mechanical Division), Eldoret-Kenya.  
P. O. Box 1012-30100, Eldoret.

**(g) Agency Contacts**

Tel. 0700 347 896/ 0753 347 896

Email: [info@nrwwda.go.ke](mailto:info@nrwwda.go.ke), [ceo.nrwwda@gmail.com](mailto:ceo.nrwwda@gmail.com)

Website: [www.nrwwda.go.ke](http://www.nrwwda.go.ke)

**Key Agency Information and Management (continued)**

**(h) Agency Bankers**

Kenya Commercial Bank  
Eldoret Main Branch  
P.O Box 560-30100

**Eldoret.**

Cooperative Bank of Kenya  
Eldoret Main Branch  
P.O Box 2948-30100

**Eldoret.**

**(i) Independent Auditor**

Auditor-General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

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**(j) Principal Legal Adviser**

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

**3. The Board of Directors**

**1. Prof. John Krop Lonyangapuo - (Born 10 December 1964) - Chairman, NRVWDA**

Professor John Krop Lonyangapuo is the Non-Executive Chairman of the Board of the North Rift Valley Water Works Development Agency, having been appointed by the President of the Republic of Kenya in April 2024. A distinguished academic and experienced public servant, Prof. Lonyangapuo holds a Bachelor of Science in Pure Mathematics from Egerton University and a PhD in Applied Mathematics from the University of Leeds, UK.

As a professor of Applied Mathematics, Prof. Lonyangapuo has made significant contributions to the academic community, previously serving as the principal of Chepkoilel Campus, which is now known as the University of Eldoret. His leadership in academia is complemented by a robust career in public service. He held the esteemed position of Permanent Secretary in the Ministry of Industrialization from 2008 to 2010, where he played a pivotal role in shaping industrial policy in Kenya.

Prof. Lonyangapuo's political career includes serving as the Senator for West Pokot County from 2013 to 2017 and subsequently as the Governor of the same county from 2017 to 2022. His tenure in these roles has underscored his commitment to advancing Kenya's development, particularly in the areas of water resource management and community empowerment. With a unique blend of academic expertise and political acumen, Prof. Lonyangapuo is dedicated to driving strategic initiatives at the Agency, ensuring the effective implementation of programs that enhance water accessibility and sustainability across the North Rift region. His vision and leadership are vital for advancing the Agency's mission and contributing to the broader objectives of national development..



**2. Dr. Sammy Latema (Born 01 January 1971)**

Dr. Sammy Latema is a distinguished academic and expert in environmental planning with over 20 years of experience in academia and public service. He holds a PhD from Wageningen University, Netherlands, as well as a Master's and Bachelor's degree in Environmental Planning and Management and Environmental Studies from Kenyatta University.

Currently a Senior Lecturer at Kenyatta University, Dr. Latema has held prominent leadership positions in the public sector, including Chairman of the Kenya Forestry Research Institute, Chairman of the National Irrigation Board, and Director at the Sacco Societies Regulatory Authority (SASRA).

He is actively involved in professional organizations, serving as a Corporate Member of the Kenya Institute of Planners and as a Lead Expert in Environmental Impact Assessment and Audit with the National Environment Management Authority (NEMA). As a Board member, Dr. Latema chairs the Board Technical Services Committee and contributes to the Audit, Governance, and Risk Committee, providing strategic insights that enhance the Agency's mission and governance practices.



**3. Dr. Risper Maccs Berem (Born 17 April 1984)**



Dr. Risper Maccs Berem is a distinguished academic and community leader with over 15 years of experience in academia and community engagement. She holds a PhD in Agricultural Economics and Agribusiness Management, an MSc in Agricultural and Applied Economics, and a BA in Economics and Sociology, complemented by a Certificate in Business Management from the Kenya Institute of Management.

As a Lecturer at Egerton University, Dr. Berem is dedicated to academic excellence and mentorship. She has significantly influenced youth empowerment through her role as the founding President of the Yes Youth Can! program in Elgeyo Marakwet County, where she helped establish over 1,200 youth groups and a youth savings and credit cooperative, facilitating low-interest loans and contributing to poverty alleviation.

Dr. Berem has also held leadership positions at Egerton, Pretoria, and Kassel Universities and is actively involved in various community initiatives. As a Board member, she chairs the Board Finance and Administration Committee and serves on the Technical Committee, where her expertise enhances strategic planning and operational efficiency.

**4. David Kimeto (Born 18 July 1964)**



Mr. David Kimeto is a seasoned business professional with extensive expertise in business management. He holds a Bachelor in Business Management (Business Administration) from the University of Eldoret and a Diploma in Business Management from Moi University, along with an Advanced Certificate and Certificate in Business Management from the Kenya Institute of Management (KIM). He also holds a Certificate in Performance-Based Roads Maintenance from the Kenya Institute of Highways and Building Technology.

Since 2011, Mr. Kimeto has served as the Managing Director of JAID Investments Limited, where he has successfully led numerous road maintenance and improvement projects across Kenya, managing large-scale contracts and routine maintenance efforts. With over a decade of experience in the construction industry, he plays a pivotal role in advancing Kenya's infrastructure and economic growth.

In addition to his business leadership, Mr. Kimeto is the Chairman of the Audit, Governance, and Risk Committee of the Board, providing strategic oversight on risk management and corporate governance. He is also a member of the Board's Technical Committee, where his expertise in infrastructure projects contributes significantly to planning and implementation efforts.

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**5. Everlyne Nadio (Born 1973)**

Appointed to the Board of the North Rift Valley Water Works Development Agency on September 1, 2023, Ms. Everlyne Nadio brings over 20 years of expertise in program management, humanitarian work, and community development. Her roles as Programme Manager for the Hunger Safety Net Programme and Mass Registration Team Leader at Oxfam GB have enhanced her skills in cash transfers, public communication, and data management.

Ms. Nadio holds a Bachelor's degree in Development Studies and a Diploma in Community Development, establishing a robust academic foundation for her extensive practical experience. Recognized for her collaborative leadership style, she is deeply committed to community engagement, gender equity, and innovative program design.

As a valuable member of the Board, she serves on both the Finance & Administration Committee and the Technical Services Committee, where her strategic vision and dedication to positive change will significantly contribute to the Agency's growth and impact.



**6. Victor Marege**



**Alternate Director to the Cabinet Secretary National Treasury.**

He holds a Master of Science degree in Procurement and Logistics from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a Bachelor of Arts degree in Economics from the University of Nairobi (UON), equipping him with a solid academic foundation in both economics and supply chain management.



In his role as Assistant Director of Supply Chain Management at the Public Procurement Department, National Treasury, he brings extensive expertise in procurement policies, strategic sourcing, and logistical planning. His deep understanding of public sector procurement processes ensures compliance, efficiency, and transparency within the department.

He is a valuable member of both the Finance and Administration Committee and the Audit and Risk Committee, where his insights and strategic thinking contribute to effective financial oversight and risk management. His leadership and professional acumen make him a key player in enhancing the governance and operational performance of the Agency.






<p><b>7. Eng. Patricia Kiarie</b> <b>Alternate Director to the Principal Secretary, state department for Water &amp; Sanitation.</b></p> <p>Eng. Patricia Kiarie is a highly qualified professional holding a Master of Engineering (M.Eng.) in Energy and Environmental Management from the University of Flensburg, Germany. Currently, she serves as the Deputy Director of Operations and Coordination, also fulfilling the role of Coordinator for the Japan International Cooperation Agency (JICA) at the Ministry.</p> <p>With over 15 years of extensive experience in water and sanitation projects, she possesses a profound understanding of technical operations and project management within this critical sector.</p> <p>In addition to her operational responsibilities, Eng. Kiarie plays a vital role on the Board, contributing her expertise to the Technical Committee as well as the Audit, Governance, and Risk Committees. Her leadership and strategic insights in these capacities are essential for ensuring effective oversight and guiding the Agency's initiatives in alignment with its objectives.</p>	
<p><b>8. Edwin C. Rotich (Born 15<sup>th</sup> January 1978)</b></p> <p>Mr. Edwin C. Rotich was appointed Chief Executive Officer of the North Rift Valley Water Works Development Agency in May 2022. He possesses a Master of Business Administration from the University of Manchester and a Bachelor of Commerce degree (Accounting Option) with First Class Honours from Kenyatta University.</p> <p>With a wealth of experience in both governance and management, Mr. Rotich has served as a member of the County Executive Audit Committee for the County Government of Elgeyo Marakwet. His extensive background includes previous board positions at the Retirement Benefits Authority and the Agricultural Finance Corporation. Additionally, he has held senior management roles in esteemed organizations, including Relief International (Somalia), War Child Holland (South Sudan), Inter-Church Organization for Development Cooperation (Sudan), and World Vision Kenya.</p> <p>Mr. Rotich's strategic vision and leadership have been pivotal in advancing the Agency's mission and enhancing its operational effectiveness.</p>	

**4. Key Management Team**

<p>1.</p>	 <p><b>Edwin C. Rotich</b> - He holds a Master of Business Administration degree from the University of Manchester and a Bachelor of Commerce Degree (Accounting Option) First Class Honours, from Kenyatta University. He is also a member of Institute of Certified Public Accountants of Kenya (ICPAK)</p>	<p><b>Chief Executive Officer</b></p>
<p>2.</p>	 <p><b>Eng. Jimmy Kemboi</b>- He Hold a Master of Science degree in Development studies from Moi University and a Bachelors Degree in Water and Environmental Engineering from Egerton University. He is a registered Professional Engineer (PE) with the Engineers Board of Kenya and Corporate member of the Institution of Engineers of Kenya (IEK). He has over 15 years experience in water infrastructure development.</p>	<p><b>General Manager – Infrastructure Development</b></p>

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<p>3.</p>	 <p><b>Mrs. Mirriam Choge Birgen-</b> Holds Masters of Arts in Public Administration and a Bachelor of Business Administration (Human Resource Option). She is a member of Institute of Human Resource Management. She has over 15years experience in Human Resource Management and Administration.</p>	<p><b>Head of Human Resources &amp; Administration</b></p>
<p>4.</p>	 <p><b>CPA Titus Chesire-</b> Holds a Bachelor of Arts Degree in Economics and a Certified Public Accountant of Kenya(CPA-K). He is also a member of Institute of Certified Public Accountants of Kenya (ICPAK)</p>	<p><b>Head of Finance</b></p>
<p>5.</p>	 <p><b>Mr. Isaac Chirchir-</b> Holds Masters of Science in Procurement and Logistics and a Bachelor of Supplies and Procurement. He is a member of Kenya Institute of Supplies Management. He has over 15years experience in procurement and supplies management</p>	<p><b>Head of Procurement</b></p>

## **5. Chairman's Statement**



North Rift Valley Water Works Development Agency (NRVWDA) is one of the nine (9) Water Works Development Agencies under the Ministry of Water, Sanitation and Irrigation (MoWSI). It was established *vide* Kenya Gazette Supplement No. 5 of 7<sup>th</sup> February 2020 pursuant to the Water Act No. 43 of 2016.

The Agency covers the counties of Usain Gishu, West Pokot, Turkana and Elgeyo-Marakwet with a total population of approximately 3.2 Million and an area of approximately 83,000 km<sup>2</sup> as per 2019 National Census. The projections of population growth and urbanisation indicate that by the year 2030 the urban population will have tremendously increased and hence putting a huge strain on water supply, demand and the resource itself. The drought experienced in the past years in many parts of Kenya and the projections of climate change and their potential impacts, should be a lesson to us that development of water resilience systems is fundamental to achieving the SDG goals. The foregoing situation is partly driven by inadequate investments which are not in tandem with rapid population growth, system inefficiencies and tariffs that do not cover full costs. The need for increasing blended financing and efficiency of the sector cannot be overemphasized, on the road to the realisation of the Vision 2030 goal of universal access to water.

A new team of Board of Directors was appointed during the year and the Board is now fully constituted and is composed of persons with diverse backgrounds each bringing in unique skills and experience to help in providing leadership to the Agency. Good governance and sustainable

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development are at the centre of national values and principles of governance in our constitution. The Board of Management and Staff of NRVWDA is guided by this principle in administering the law to guarantee human dignity, equity, social justice, inclusiveness and non-discrimination in its area of jurisdiction.

In further ensuring that the Board aligns itself with the tools to ensure proper oversight and leadership requirement of an effective board, the Board formed three committees with each looking at sectoral issues and make recommendations to the entire board for final approval. The Board committees have been structured to function independently from each other and are provided with sufficient authority, resources, and assigned responsibilities in assisting the entire board in meeting its oversight responsibility. In addition, the Agency developed and issued necessary governance tools necessary for the board and management to use as they execute their mandates.

The Agency has developed a strategic plan with a key goal of ensuring development of sustainable water and sanitation infrastructure for efficient delivery of water services. This will be achieved by ensuring value for money for the investment towards increased access to water and sanitation through use of right technology, research, innovation, leadership and governance. The board of directors and management of the Agency will continue to oversee the implementation of our strategic plan (2023-2027) in order to achieve all our goals as envisaged in the plan. The Agency has aligned its strategic plan to the Government Bottom up Economic Transformation Agenda.

The Agency has set its targets on accelerating access to water so as to conform to the demands and provisions of the Sustainable Development Goals (SDGs), Kenya's Vision 2030 and the country's Big Four Agenda. The Agency will do this by addressing the aging networks and upgrading the water and sewerage systems and construction of new projects. And in order to fill the water and sanitation coverage gaps, there is need to mobilize adequate financial and human resources. These resources will be mobilized from government grants, development partner grants and loans.

The Agency will continue to consult regularly with all stakeholders including consumers, community leaders, the public, water service providers, development partners, sister water agencies, experts, national and county governments, with regard to development and management of projects.

We recognize our stakeholders as integral participants in the long-term planning and implementation of solution-oriented initiatives. We commit to continue with rigorous stakeholder engagement

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processes based on principles of inclusivity, accessibility, transparency and positive contribution. I consider each interaction as an opportunity to share ideas that will improve business results, and transform people's lives. We strive to be a positive corporate partner to the communities and the stakeholders we serve.

On behalf of the Board of Directors, I wish to acknowledge the support in policy guidance and resources by the National Government through the Ministry of Water, Sanitation and Irrigation and other government Agencies, the County Governments of Uasin Gishu, West Pokot, Turkana and Elgeyo Marakwet and Water Service Providers for their cooperation and support.

While the future is bright, the task ahead is huge and the challenges numerous. I must, however, say that each new day offers us a chance to work together, pursue new opportunities and improve upon the past.

Thank You.



**Prof. John Krop Lonyangapuo  
Chairman of the Board of Directors  
North Rift Valley Water Works Development Agency**

## **6. Report of the Chief Executive Officer**



North Rift Valley Water Works Development Agency (NRVWDA) continues to demonstrate a positive progress on investments undertaken in an effort to increase access to clean water and sanitation services in its area of jurisdiction.

The enactment of the Water Act 2016 which repealed the Water Act 2002 has brought a raft of changes in the sector and furthermore, the Ministry of Water, Sanitation and Irrigation has prepared the Draft Water Act Amendments Bill 2023 and the Water Sector Regulations 2021 in collaboration with Various Water Sector Actors. The principal objective of the Amendment Bill is to amend the Water Act to consolidate provisions on Governance in line with Mongos code of conduct and to strengthen the legal framework governing water resources in the country.

The Agency during the financial year, the Agency received budgetary allocation from the ministry for recurrent and for implementation of various water projects under various programs which have been acted upon through design and procurement of contractors. The projects are at various levels of implementation. As a result of the support received from the Ministry, the Agency has registered several milestones and significant progress on investments in water and sanitation in an effort to increase access to clean water and sanitation services in its area of jurisdiction.

The Agency will continue to collaborate with stake holders through courtesy calls to, and meetings with county governments, county commissioners and water service providers with a view of ensuring

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seamless working relationships. The Agency has aligned its Strategic Plan to the national development agenda as espoused in the Constitution of Kenya 2010, Kenya's Vision 2030, MTP III, the Bottom-up Economic Transformation Agenda (BETA), SDGs, Agenda 2063 as well as other national and international priorities. NRVWDA will implement its mandate and accelerate the development, maintenance and management of the water and sanitation infrastructure in line with national and international priorities and the Water Act 2016.

Our sincere gratitude is to the Government of Kenya (GoK) through the Ministry of Water & Sanitation and Irrigation, and the National Treasury, for policy direction and guidance, and provision of funds and other resources for operations; the Development Partners: Africa Development Bank (AfDB), and other Donors who have supported us in fulfilling the promises made to the Citizens of the Republic of Kenya in developing water and sanitation infrastructure. It is our sincere hope that they keep walking with us in our current Development Plan Period 2023-2027.

I want to specifically thank the Chairman and Board of Directors for giving strategic direction of the Agency. My appreciation also goes to all Agency Staff for their contributions and tireless efforts towards ensuring proper take - off and establishment of a solid foundation for the Agency

We look forward to stronger linkages, continued collaborations, support and partnerships with all our stakeholders as the Agency implements programs and activities lined up in this Strategic Plan so as to realize our goals and objectives of developing sustainable water and sanitation infrastructure that positively contributes to improved quality of life to our customers and the Kenyan citizens.

I also wish to thank the County Governments, Water Service Providers and all our stakeholders for the support you offered to the Agency during this financial year.

I look forward to continue working with you all in the next financial year and beyond in the delivery of our mandate



**CPA Edwin C. Rotich  
Chief Executive Officer  
North Rift Valley Water Works Development Agency**

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**7. Statement of Performance against Predetermined Objectives for FY 2023/2024**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government Agency's performance against predetermined objectives.

The Agency has five (5) strategic pillars and objectives within the current Strategic Plan for the FY 2023 to FY 2027. These strategic pillars/ themes/ issues are as follows:

Pillar 1: increase water coverage from 55% to 80% by 2028;

Pillar 2: increase urban sewerage coverage from 5% to 18% by 2028;

Pillar 3: increase water harvesting and storage capacity by 102Mm<sup>3</sup> by 2028

Pillar 4: financial sustainability by mobilizing 121.5Billion and diversification of funds by 2028;

Pillar 5: collaboration with four (4) number County Governments and five (5) number Water Service Providers.

Pillar 6: institutional capacity development through adequate qualified staff, improved work environment, operational efficiency, enhanced corporate image and enhanced corporate governance;

The Agency's annual work plans are based on the above five (5) pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis.

The Agency's performance against predetermined objectives for FY 2023/2024 period is as indicated in the diagram below:

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Water coverage	increase water coverage from 55% to 80% by 2028	Number of water projects constructed	Design water projects Procure contractors Construct water projects	The Agency implemented several water projects which include Liter, Mogil, Elie Kalokol, Kalapata, Cheminya Arangai community water projects among others.
Sewerage coverage	Increase urban sewerage coverage from 5% to 18% by 2028	Number of sewerage and sanitation facilities constructed	Design sewerage and sanitation projects Procure contractors Construct sewerage and sanitation projects	Carried out appraisals for various projects. Chepareria, Makutano and Eldoret last mile projects are ongoing. The projects are being implemented by Central Rift Valley Water Works

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<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
				Development Agency on behalf of NRVWDA
Water harvesting and storage capacity	increase water harvesting and storage capacity by 102Mm <sup>3</sup> by 2028	Volume of water harvested and stored	Construction and rehabilitation of dams	Suwerwa small dam and Narasha Dam desilted
Financial sustainability	financial sustainability by mobilizing 121.5 Billion and diversification of funds by 2028	Financial stability	Participate in budget making processes Undertake proposals and designs for submission to donors	The Agency received Kshs.123,000,000 allocations for recurrent and Kshs.671,095,000 for development. Target on absorption of the allocated funds has been allocated in the performance contract.
Institutional capacity development	Build human resource capacity through adequate qualified staff, improved work environment, operational efficiency, enhanced corporate image and enhanced corporate governance;	Increased Productivity	The Agency has recruited 6 new staff and has received approval from the National Treasury to recruit 28 additional staff.	The Agency has recruited 6 new staff and has received approval from the National Treasury to recruit 28 additional staff.
Collaboration with four (4) number County Governments and five (5) number Water Service Providers	To enhance water and sanitation provision in the area of jurisdiction	Increased access to water and sanitation services	Develop framework for engagements, undertake trainings, carry out GIS mapping for Non Revenue Water	Seamless implementation of projects. Target on enhancement of collaboration between the two levels of government has been included in the performance contract

## **8. Corporate Governance Statement**

North Rift Valley Water Works Development Agency Board is committed to the values and principles of good corporate governance. The Board of Directors and Management of the Agency regard corporate governance key to the success of the Agency and are committed to ensuring that the Agency adheres to the highest standards of conduct and accountability in accordance with the best practice and principles of corporate governance. These principles are applied throughout all levels of the Agency.

In the financial year under review, we continued to maintain high levels of corporate governance by focusing on the following areas:

- Reviewed the Agency's strategic plan to align to the Government Bottom up Economic Transformation Agenda (BeTA);
- Continually enforced internationally recognised accounting principles;
- Focused on clearly defined Board and management duties and responsibilities;
- Enhancing directors' competencies through transformative leadership training
- Ensuring compliance with relevant laws and upholding the highest levels of integrity in the organization's culture and practices.

### **Board charter**

The Board Charter is critical to the Agency's governance framework, and offers guidance on matters including but not limited to the following;

- The separation of the roles, functions, responsibilities and powers of the Board and its individual members;<sup>2</sup>
- Powers delegated to the Board committees;
- Matters reserved for final decision-making and approval by the Board;
- Policies and practices of the Board on matters of corporate governance, directors' declarations and conflict of interest, conduct of Board and Board committee meetings;
- Board Induction

**The role and responsibilities of the Board**

The Board of Directors provides leadership through oversight, review and guidance whilst setting the strategic direction for the organization. It is the primary decision-making body for all matters considered as material to the Agency. The Board has a formal schedule of matters reserved for it. The Directors receive appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational, compliance and governance matters. Ultimately, the Board determines the organization's strategic objectives, values, key policies and procedures in accordance with best practice. The Board has delegated the authority for day-to-day management of the organization to the Chief Executive Officer. However, it maintains overall responsibility for the Agency's performance, compliance functions as well as monitoring of its operations and ensuring competent management of the business.

**Composition of the Board of Directors**

The Board of Directors comprised of eight (8) members; the Chairman who is a non-executive director, and four non-executive independent directors and two directors from government representing the Principal Secretary for Ministry of Water, Sanitation and Irrigation and the National Treasury. In addition, there is a representative from Inspectorate of state corporations who is in attendance. The Chief Executive Officer is the Secretary to the Board and its committees. The Board has an appropriate balance of skills, knowledge and experience to perform its role effectively. All directors are subject to periodic re-appointment in accordance with the State Corporations Act, the Office of the President and the Ministry of Water, Sanitation and Irrigation.

**Induction and on-going development**

On appointment, the directors were inducted and the induction programme included specific sessions with the management across the units for clarity and better understanding of the organizations' functions, roles and accountabilities, business model and operations.

The directors were sensitized on the legal, regulatory and other obligations of a director of a State Corporation. During the year the Board attended transformative leadership training as part of their capacity development.

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**Board Committees**

In line with guidelines issued by the Government, the Board has delegated its authority to committees to deal with specific aspects of its responsibilities. The Board committees were reconstituted during the financial year, leading to some members not attending certain meetings due to their non-membership in the newly reconstituted committees. These committees have specific terms of reference and reports to the full Board meeting. NRVWDA has the following Board committees: -

**i. Finance and Administration Committee**

Its main duties are: - to review financial statements, annual budgets, Procurement Plan and periodic review of staff remuneration and terms of service; appointments and disciplinary actions for senior staff; and general welfare of the Agency's employees.

S.NO	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	RISPER BEREM	4	4
2.	ENG.PATRICIA KIARIE	4	1
3.	VICTOR O. MAREGE	4	3
4.	EVERLYNE NADIO	4	3

Director Patricia attended the committee meeting only once since there was changes in the composition of the committees and she was moved to Audit & Risk and Technical Services committee.

**ii. Technical Services Committee**

Its main duties include issues arising from the Agency's stewardship of essential water and sanitation infrastructure and has a duty of reviewing the conditions and performance of technical assets including projects. The committee is also tasked with safeguarding the environment and ensuring stakeholder engagements during implementation of projects.

S.NO	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	SAMMY LETEMA	4	4
2.	ENG PATRICIA KIARIE	4	3
3.	RISPER BEREM	4	4
4.	DAVID KIMETTO	4	3
5.	EVERLYNE NADIO	4	3
6.	VICTOR MAREGE	4	1

Director Marege attended the committee meeting only once since there was changes in the composition of the committees and Marege was moved to Audit & Risk and Finance & Administration committee.

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**iii. Audit and Risk Committee**

The committee is responsible for assisting the Board of Directors in fulfilling its oversight responsibilities in relation to governance matters.

<b>SNO.</b>	<b>NAME OF DIRECTOR</b>	<b>TOTAL NUMBER OF MEETINGS</b>	<b>MEETINGS ATTENDED</b>
1.	ENG PATRICIA KIARIE	4	3
2.	DAVID KIMETTO	4	4
3.	VICTOR O. MAREGE	4	3
4.	EVERLYNE NADIO	4	1
5.	SAMMY LETEMA	4	3

Director Everlyne Nadio attended the committee meeting only once since there was changes in the composition of the committees and she was moved to Finance & Administration committee and Technical Services Committee.

**iv. Full Board Meetings**

<b>SNO.</b>	<b>NAME OF DIRECTOR</b>	<b>TOTAL NUMBER OF MEETINGS</b>	<b>MEETINGS ATTENDED</b>
1.	PROFF JOHN LONYANGAPUO	6	4
2.	DAVID KIMETTO	6	6
3.	SAMMY LETEMA	6	6
4.	RISPER BEREM	6	6
5.	VICTOR O. MAREGE	6	5
6.	ENG PATRICIA KIARIE	6	6
7.	EVERLYNE NADIO	6	3

## **9. Management Discussion and Analysis**

### **Financial Performance**

The Agency received an allocation of shillings one hundred and twenty three million (Kshs.123,000,000) for the financial year 2023-24 for recurrent expenditures. In addition, it received Kshs. 431,095,000 from Ministry of Water, Sanitation and Irrigation for construction of rural water projects and shillings two hundred and forty million (Kshs.240,000,000) under development for Soy Kosachei and Moberidge mutanda. From the recurrent amount of Kshs.123,000,000, the Agency spent Kshs.32,803,990 under Use of Good and Services against a budget of Kshs.36,630,800, Kshs.14,571,921 for Board Expenses against a budget of Kshs.16,037,260, Kshs. 4,580,012 for repairs and maintenance against a budget of Kshs.54,642,520 and Kshs.20,484,244 for employee cost against a budget of Kshs.20,689,420

The Agency also continued to receive support from Ministry of Water Sanitation and Irrigation, Lake Victoria North Water Works Development Agency, Central Rift Valley Water Works Development Agency and Athi Water Works Development Agency through the payment of salaries for the seconded staff. The cost of the salaries amounted to Kshs.5,908,404 for ministry staff, Ksh.3,838,228 for Central Rift Valley Water works development Agency staff and Kshs.2,062,698 from Lake Victoria North Water Works Development Agency.

### **Key Projects**

The Agency received Kshs.240,000,000 under development for Soy Kosachei water supply project and Moiberidge Matunda water supply project and Kshs.431,095,000 to implement various projects which include Liter, Maron Sibow, Arangai, Cheminya, Elie Kalokol, Embomon Mogil, Kalapata community water projects among others under Rural Water Supply Projects. There are other projects being implemented by Central Rift Valley Water Works Development Agency on behalf of the Agency. These include Kipkaren Water supply Project, Eldoret Last Mile Sewerage Project, Chepareria Sewerage Project and Kapenguria-Makutano Sewerage Project. The projects are being financed by African Development Bank through Kenya Towns Sustainable Program.

### **Major Risks**

The Agency is faced with the following risks:

- i) Cashflow challenges due to lack of budgetary allocations.
- ii) Delays in receipt of projected revenues
- iii) Inadequate staffing levels
- iv) Inadequate office space
- v) Harsh terrains
- vi) Inadequate office equipment
- vii) Flooding during heavy rains

### **Compliance with statutory requirements**

The regulatory environment remains an area of significance to our operations. NRVWDA continued to ensure compliance with Constitution of Kenya 2010 (CoK 2010), the PFM Act, PFM Act, the State Corporations Act, the Water Act 2016 and all the relevant government circulars as issued from time to time. All the statutory deductions and other requirements were submitted to the relevant authorities in time.

### **Key challenges**

The Agency continued to operate amidst of several challenges including:

1. Lack of adequate budgetary allocations for the financial year.
2. Inadequate staffing levels.
3. Harsh terrains
4. Inadequate office equipment.

### **Future Developments**

During the financial year 2021-2022, the Agency developed and launched its strategic plan for five years up to 2026 which detailed projects that the agency intends to develop. The projects include rehabilitation of existing water supplies, development of new water and sanitation projects in the four counties and carry out institutional strengthening. The Agency during the Financial year 2023-2024 reviewed its strategic plan to align it to the Government Bottom up Economic Transformation Agenda. Upon review, the new strategic plan will run upto 2028 and will require a budgetary allocation of **Kshs.121.2billion** over the five-year period.

### **Material arrears in statutory and other financial obligations**

During the financial year the Agency did not have any Material arrears in statutory and other financial obligations.

## **10. Environmental and Sustainability Reporting**

The Agency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the Agency's policies and activities that promote sustainability.

### **i) Sustainability strategy and profile**

In order to ensure sustainability, the Agency has put in place various strategies which include diversification of resource mobilization by preparing and participating in national budgeting process, involvement of public private partnership, engineering procuring, contracting and financing, preparation of bankable project proposals, framework for loan repayments by water services providers, invest in sustainable technologies in water and sanitation programs such as gravity system and green energy. The agency ensures continuous monitoring of abstractions to avoid depletion of water resources, incorporate planting of trees during project implementation.

The Agency while undertaking resource mobilization process considers the prevailing social political and economic environment in the country which include the attractiveness of the financial resources and the repayment conditions.

### **ii) Environmental performance**

The Agency fully adheres to the environmental management and coordination act (EMCA) 1999 which requires the Agency to prepare environmental impact assessment and acquire licence before construction of projects. The Agency ensure the contractors adheres to environmental and social management plan which requires contractors to provide personal protective equipment to staff on site, secure excavations and water dusty areas. The Agency will also require contractors to submit quarterly environmental and safety reports in the prescribed format. The Agency will also ensure Water Service Providers operating sewerage facilities comply with the effluent discharge standards as per Water Resource Authority guidelines. The Agency is developing an environmental policy to guide.

### **iii) Employee welfare**

The Agency human resource and policy manual has an elaborate policy guideline which cover recruitment, placement, training, remuneration, rewards, performance management system and promotion among others.

In implementing this policy, the Agency will put into consideration national diversity, gender and special group while exercising fairness and equity. Under the same human resource policy there are

clear guideline of handling staff welfare issues which include non-discrimination on gender, on account of HIV/AIDS, counselling, drug and substance abuse, care and support. The Agency will comply with Occupational Safety and Health Act of 2007, (OSHA) by installing fire extinguishers, proper cabling of wires and providing enough ventilation on the offices.

**iv) Market place practices-**

The Agency undertakes the following:

**a) Responsible competition practice.**

The Agency ensures compliance with Public Procurement and Disposal Act 2015 by undertaking open and competitive tendering while selecting suppliers and contractors by ensuring tenders are advertised in national circulation dailies, evaluations of tenders are done as per criteria set out in the bidding documents, all clarifications are circulated to all bidders.

**b) Responsible Supply chain and supplier relations**

The Agency ensures that contracts are entered into when funds are available and ensure prompt payments upon inspection of goods, works and services. The Agency will carry out capacity building for bidders on the laws governing procurement processes.

**c) Responsible marketing and advertisement**

The Agency carries out annual market surveys and submit quarterly reports of all procurement activities to Public Procurement and Regulatory Authority (PPRA).

**d) Product stewardship**

The Agency will ensure Water Services Providers charge consumers as per approved tariff by Water Services Regulatory Board. It will also ensure clean and safe water is distributed to consumers by carrying out frequent water quality tests.

**v) Corporate Social Responsibility / Community Engagements**

North Rift Valley Water Works Development Agency Corporate recognizes Social Responsibility (CSR) as a vital activity in the Agency. We are therefore committed to the cause of social service and will channel part of our resources and activities to the communities in our area of jurisdiction, thus positively affect the society socially, ethically and also environmentally.

The Agency participated in tree planting exercise for restoration of Kaptagat forest and Kessup forest in Elgeyo Marakwet county.

**North Rift Valley Water Works Development Agency  
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**11. Report of the Directors**

The Directors submit their report together with the audited financial statements for the year ended 30<sup>th</sup> June 2024, shows the state of affairs of the Agency.

**i) Principal activities**

The principal activity of the Agency is to develop, manage and maintain water and sanitation infrastructure in the counties of Uasin Gishu, West Pokot, Turkana and Elgeyo Marakwet.

**ii) Results**

The results of the Agency for the year ended 30<sup>th</sup> June, 2024 are set out on page 1.

	<b>Kshs</b>
Surplus/ (Deficit) before depreciation and finance costs	275,137,854
Less: Depreciation	(5,317,854)
Surplus/ (Deficit) before finance costs	269,819,979

**Net Surplus for the period**

The Agency registered a Surplus of **Ksh.269,819,979** during the year.

**iii) Directors**

The members of the Board of Directors who served during the year are shown on page VIII and X.

**iv) Surplus remission**

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

The Agency did not remit the surplus for the FY 2023-24 since the Agency has committed all the funds.

**v) Auditors**

The Auditor-General is responsible for the statutory audit of the Agency in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

North Rift Valley Water Works Development Agency  
Annual Report and Financial Statements  
for the year ended June 30, 2024.

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Edwin C Rotich

Chief Executive Officer

Date 3/12/2024

## **12. Statement of Directors Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act 446, require the Directors to prepare financial statements in respect of the, which give a true and fair view of the state of affairs of the Agency at the end of the financial year/period and the operating results of the Agency for that year/period. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes:

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

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012 and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2024, and of the Agency's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.


**North Rift Valley Water Works Development Agency  
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Nothing has come to the attention of the Directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

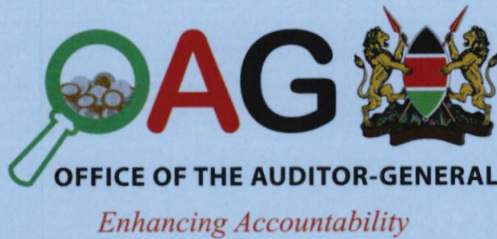
**Approval of the financial statements**

The Agency's financial statements were approved by the Board on 3<sup>rd</sup> September, 2024 and signed on its behalf by:

Signature   
Name *Prof John Lonyangapuo*  
Chairperson of the Board

Signature   
Name *EDWIN C ROTICH*  
Chief Executive Officer

# REPUBLIC OF KENYA



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HEADQUARTERS  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NORTH RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2024**

### **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.
- 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 North Rift Valley Water Works Development Agency set out on pages 1 to 70, which comprise of the statement of

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*Report of the Auditor-General on North Rift Valley Water Works Development Agency for the year ended 30 June, 2024*

financial position as at 30 June, 2024 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 North Rift Valley Water Works Development Agency as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the North Rift Valley Water Works Development Agency 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**

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

The statement of comparison of budget and actual amounts reflects revenue final budget and actual on comparable basis of Kshs.1,268,009,330 and Kshs.571,912,376 resulting to an underfunding of Kshs.696,905,000 or 55% the budget. Similarly, the agency spent Kshs.296,774,543 against actual receipts of Kshs.571,912,376 resulting in an under expenditure of Kshs.275,137,833 or 48% of the actual receipts.

The underfunding and under-performance affected the planned activities and may have impacted negatively service delivery to the public.

My opinion is not modified in respect of this matter.

### **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 Matter**

### **Unresolved Prior Year Audit Matters**

In the audit report of the previous year, several paragraphs were raised under the Report on Effectiveness of Internal Controls, Risk Management and Governance, Emphasis of Matter and Other Matter. Even though Management has provided explanation on the progress made on the recommendations made by the auditors, the issues have remained unresolved as the relevant Parliamentary committee had not discussed them.

### **Other Information**

The Management is responsible for the other information set out on page (ii) to (xxxii) which comprise of Acronyms and Definition of key terms, Key Entity Information and Management, The Fund administration committee, Key Management Team, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, Corporate Governance Statement, Report of trustees, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the North Rift Valley Water Works Development Agency financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters 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 internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Non-Compliance with Law on Ethnic Composition**

Review of the human resource data revealed that the Agency had a total of eleven (11) employees. However, of all the eleven (11) staff, ten (10) are from one dominant community representing 91% of staff population contrary to the requirements of Section

7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community. In the circumstances, Management was in breach of the law.

## **2. Delayed Implementation of Projects**

Review of the project implementation status report presented revealed that there were four (4) water projects with a total contract sum of Kshs.81,754,300 which had not been completed and were past the completion timelines. This is contrary to Section 79. 2 (b) of the Public Finance Management Act, 2012 which states that a public officer employed in a national government, state organ or public entity shall ensure that the resources within the officer's area of responsibility are used in a way which is lawful and authorized; and (ii) is effective, efficient, economical and transparent. It was not clear as to why the projects were still in-complete.

In the circumstance, the residents may not have obtained value for money for the expenditure for delayed projects.

## **3. Construction of Moiben- Kuserwo Phase 1 Water Supply Project**

Review of project implementation status revealed that the Agency invited bids for the completion of the water project on 18 October 2022 in which the contract was awarded to the winning bidder at a contract sum of Kshs.8,950,020 and signed on 30 January 2023.

Project commencement date was 24 February 2023 and contract period being 4 months and had already expired as at 30 June, 2024. The project was handed over from Lake Victoria North Water Works Development Agency in 2022/2023 financial year when it was in phase 1 and it was to be implemented in two (2) phases at an estimated cost of Kshs.89.3 million.

Phase 1 was to cost Kshs.37 million while phase 2 was to cost Kshs.52.3 million. The project received funds in the FY 2016//2017 of Kshs.36 million at Lake Victoria North Water Works Development Agency. On handing over, the Agency requested for funds to complete the pending works under phase 1 and were granted Kshs.10 million in the FY 2022/2023 translating to a total of Kshs.46 million.

Phase 1 included construction of 50 cubic m and 100 cubic m, masonry tank, and laying of the entire 160mm diameter HDPE pipes. Total expenditure incurred during the year by Agency amounted to Kshs.4,030,352 leading to a total of Kshs.40,030,352 for phase 1 which is yet to be completed.

Physical inspection carried out in the month of December 2024 revealed that there was a lot of siltation upstream, community interference at the Sitoton community tank and water point, flooding, trees falling in the forest disjoining the lines, soil erosion along the excavated sections and inability for the Agency to ease the load between Chepsirgen and Sitoton tank.

In the circumstance, the residents may not have obtained value for money for the expenditure incurred on the project.

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, except for the effects of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

#### 1. Lack of Governance Audit

The Water Agency was not subjected to a governance audit to evaluate governance practices of the organization. This is contrary to Parameter 1.13(1) of Mwongozo code of governance 2015 which requires that the board, in consultation with the oversight office, should ensure that it subjects the organization to an annual governance audit by a member regulated by the Institute of Certified Public Secretaries of Kenya (ICPSK) and accredited for that purpose.

Lack of governance audit may led to higher liability and unidentified risks which may lead to financial losses and operational inefficiencies

#### 2. Lack of Information Communication Technology (ICT) Strategy and Periodic Reports

As previously reported, the Agency did not have in place ICT Strategic Committee, Data Recovery Plan (DRP) and ICT Security Policy that are vital in effective and efficient management of the Entity's ICT resources. Further, the Agency did not have an ICT Strategic Plan and ICT Steering Committee which are important in performing oversight function and formulation of policies to ensure that ICT Department functions effectively to assist in achievement of organizational objectives in an economic, efficient and effective manner. Further, no trainings and transfer of skills were set aside for the ICT Department staff, backup and retention strategy had not been implemented in case of occurrence of a disaster the Agency may not be able to continue with its services. There were no proper controls to physical access to sensitive areas including computer room and operations.

In the circumstances, the robustness of the Agency business operations and recovery in case of disaster could not be confirmed.

### **3. Lack of Risk Management Policy**

As previously reported, the Agency operated without a risk management policy contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires each Accounting Officer to ensure that the national government entity develops risk management strategies which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

### **4. Lack of Segregation of Duties in the Finance and Accounting Department**

Review of records, and as previously reported, revealed that the Finance Manager performed multiple functions including budgeting, processing of payments, receiving and making payments, updating of cash books, updating of general and subsidiary ledgers, preparation of monthly bank reconciliation statements, preparation of quarterly and annual financial statements.

In the circumstances, the effectiveness of checks, balances and controls could not be confirmed.

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 Agency'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.

Those charged with governance are responsible for overseeing the Agency'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 for 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**

**31 December, 2024**

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*Report of the Auditor-General on North Rift Valley Water Works Development Agency for the year ended 30 June, 2024*

**North Rift Valley Water Works Development Agency  
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**14. Statement of Financial Performance for the year ended 30 June 2024**


	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	6(b)	565,904,330	124,093,654
Levies, Fines, and penalties	7	-	-
Public contributions and donations	8	200,000	-
Property taxes revenue	9	-	-
Licenses and permits	10	-	-
		<b>566,104,330</b>	<b>124,093,654</b>
<b>Revenue from exchange transactions</b>			
Rendering of services	11	-	-
Sale of goods	12	-	-
Rental revenue from facilities and equipment	13	-	-
Finance income	14	-	-
Other income	15	5,808,046	509,508
<b>Total revenue</b>		<b>571,912,376</b>	<b>124,603,162</b>
<b>Expenses</b>			
Use of goods and services	16	32,803,990	21,467,577
Employee costs	17	32,293,574	31,234,166
Board Expenses	18	14,571,921	14,123,576
Depreciation and amortization expense	19	5,317,854	2,041,585
Repairs and maintenance	20	4,580,012	1,557,695
Contracted services	21	-	-
Grants and subsidies	22	212,525,046	62,596,896
Finance costs	23	-	-
<b>Total expenses</b>		<b>302,092,397</b>	<b>133,021,495</b>
<b>Other gains/(losses)</b>		-	-
Gain/Loss on sale of assets	24	-	-
Gain/Loss on foreign exchange transactions	25	-	-
Gain /Loss on fair value of investments	26	-	-
Impairment loss	27	-	-
<b>Surplus/ (deficit) before tax</b>		<b>269,819,979</b>	<b>-8,418,333</b>
Taxation	28	-	-
<b>Surplus/(deficit) for the period/year</b>		<b>269,819,979</b>	<b>-8,418,333</b>
Remission to National Treasury	47	-	-
<b>Net Surplus for the year</b>		<b>269,819,979</b>	<b>-8,418,333</b>
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling Entity		-	-
		<b>269,819,979</b>	<b>-8,418,333</b>


**North Rift Valley Water Works Development Agency  
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The notes set out on pages 12 to 68 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 11 were signed on behalf of the Board of Directors by:

  
.....  
Name: **EDWIN C. ROTICH**  
Accounting Officer

  
.....  
Name: **Titus Chesre'**  
Head of Finance

  
.....  
Name: **Prof. John Longengapoo**  
Chairman of the Board

ICPAK M/No: 21106

Date

Date **3/12/2024**

Date **03/12/2024**

**North Rift Valley Water Works Development Agency  
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**15. Statement of Financial Position as at 30 June 2024**

	Notes	2022-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	29	662,133,537	228,269,576
Receivables from Exchange Transactions	30 (a)	9,715,560	12,024,703
Receivables from Non-Exchange Transactions	31	0	-
Inventories	32	513,245	661,504
Investments in financial assets	33	0	-
<b>Total Current Assets</b>		<b>672,362,342</b>	<b>240,955,783</b>
			-
<b>Non-Current Assets</b>			
Property, Plant and Equipment	34	111,746,666	24,772,663
Investments	33	-	-
Intangible Assets	35	-	-
Investment Property	36	-	-
Receivables from Exchange Transactions	30 (b)	3,275,230	-
<b>Total Non- Current Assets</b>		<b>115,021,896</b>	<b>24,772,663</b>
<b>Total Assets</b>		<b>787,384,238</b>	<b>265,728,446</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	37	14,888,738	5,356,760
Refundable Deposits from Customers	38	-	-
Current Provision	39	-	-
Finance Lease Obligation	40	-	-
Current Portion of Borrowings	43	-	-
Deferred Income	41	-	-
Employee Benefit Obligation	42	3,917,359	1,613,525
Social Benefits	46	-	-
Taxation	48	-	-
<b>Total Current Liabilities</b>		<b>18,806,098</b>	<b>6,970,285</b>
<b>Non-Current Liabilities</b>			
Non-Current Employee Benefit Obligation	42	-	-
Non-Current Provisions	43	-	-
Borrowings	44	-	-
Service Concession Liability	45	-	-
Social Benefits	46	-	-

**North Rift Valley Water Works Development Agency  
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	Notes	2022-2024	2022-2023
		Kshs	Kshs
Deferred Tax Liabilities	49	-	-
<b>Total Non- Current Liabilities</b>		-	-
<b>Total Liabilities</b>		<b>18,806,098</b>	<b>6,970,285</b>
<b>Net Assets</b>		<b>768,578,140</b>	<b>258,758,161</b>
<b>Represented by:</b>			
Reserves		389,157,304	154,475,158
Accumulated Surplus		379,420,836	104,283,003
Capital Fund			
<b>Net Assets</b>		<b>768,578,140</b>	<b>258,758,161</b>

The financial statements set out on pages 1 to 11 were signed on behalf of the Board of Directors by:



Name **Edwin C Rorcutt**  
Accounting Officer

Date **3/12/2024**



Name **Titus Chesne**  
Head of Finance  
ICPAK Member  
Number:21106

Date **3/12/2024**



Name **Prof John Longangop**  
Chairman of the Board

Date **03/12/2024**

North Rift Valley Water Works Development Agency  
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16. Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at July 1, 2022</b>	-	-	-	110,659,751	-	66,516,743	177,176,494
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-	-
Surplus/ (deficit) for the year	-	-	-	-8,418,333	-	-	-8,418,333
Capital/development grants received during the year	-	-	-	-	-	90,000,000	90,000,000
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	2,041,585	-	-2,041,585	-
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
<b>As at June 30, 2023</b>	-	-	-	104,283,003	-	154,475,158	258,758,161
<b>As at July 1, 2023</b>	-	-	-	104,283,003	-	154,475,158	258,758,161
Issued new capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	-	269,819,979	-	-	269,819,979

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<b>Description</b>	<b>Ordinary share capital</b>	<b>Revaluation reserve</b>	<b>Fair value adjustment reserve</b>	<b>Retained earnings</b>	<b>Proposed dividends</b>	<b>Capital/Development Grants/Fund</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Capital/development grants received during the year	-	-	-	-	-	240,000,000	240,000,000
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	5,317,854	-	-5,317,854	-
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
<b>As at June 30, 2024</b>	-	-	-	<b>379,420,836</b>	-	<b>389,157,304</b>	<b>768,578,140</b>

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**17. Statement of Cash Flows for the year ended 30 June 2024**

	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities	6(b)	554,095,000	105,250,00
Levies, Fines, and penalties	7		
Public contributions and donations	8	200,000	
Property taxes revenue	9		
Licenses and permits	10		
Rendering of services	11		
Sale of goods	12		
Rental revenue from facilities and equipment	13		
Finance income	14		
Other income	15	5,808,046	509,50
<b>Total Receipts</b>		<b>560,103,046</b>	<b>105,759,50</b>
<b>Payments</b>			
Use of goods and services	16	33,193,572	22,525,86
Employee costs	17	18,180,409	10,994,19
Board Expenses	18	14,571,921	14,123,57
Repairs and maintenance	20	4,580,012	1,557,69
Contracted services	21		
Grants and subsidies	22	203,421,315	73,059,20
<b>Total Payments</b>		<b>273,947,229</b>	<b>122,260,53</b>
<b>Net cash flows from/(used in) operating activities</b>	45	<b>286,155,817</b>	<b>-16,501,02</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	34	-92,291,856	-18,989,71
Proceeds from sale of property, plant and Equipment			
Decrease/(Increase) in non-current receivables			
Purchase of investments			
Sale of investments			
<b>Net cash flows from/(used in) investing activities</b>		<b>-92,291,856</b>	<b>-18,989,71</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			
Repayment of borrowings			
Proceeds from issue of shares			
Transfer of capital grants from other government entities	6(b)	240,000,000	90,000,00
Increase in capital funds			
<b>Net cash flows from /(used in) financing activities</b>		<b>240,000,000</b>	<b>90,000,00</b>

**North Rift Valley Water Works Development Agency**  
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	Notes	2023-2024	2022-2023
		Kshs	Kshs
Net increase/(decrease) in cash & Cash equivalents		433,863,961	54,509,25
<b>Cash and cash equivalents at 1 July</b>	28	<b>228,269,576</b>	<b>173,760,31</b>
<b>Cash and cash equivalents at 30 June</b>	28	<b>662,133,537</b>	<b>228,269,57</b>

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**18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Transfer from MoWSI	65,000,000	58,000,000	123,000,000	123,000,000	-	100
Transfer from MoWSI (Rural Water Supply Projects)	700,000,000	428,000,000	1,128,000,000	431,095,000	-696,905,000	38
Transfer from MoWSI (Salaries)	-	5,908,404.00	5,908,404	5,908,404	-	100
Transfer from CRVWWDA( Salaries)	-	3,838,228	3,838,228	3,838,228	-	100
Transfer from LVNWWDA( Salaries)	-	2,062,698	2,062,698	2,062,698	-	100
Levies, Fines and Penalties	-	-	-	-	-	-
Public Contributions and Donations	-	200,000	200,000	200,000	-	100
Property Taxes Revenue	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Rendering of Services	-	-	-	-	-	-
Sale of Goods	-	-	-	-	-	-
Rental Revenue from Facilities and Equipment	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-
Agency Income	-	-	-	-	-	-
Other Income		5,000,000	5,000,000	5,808,046	-	116
<b>Total Income</b>	<b>765,000,000</b>	<b>503,009,330</b>	<b>1,268,009,330</b>	<b>571,912,376</b>	<b>-696,905,000</b>	<b>45</b>
<b>Expenses</b>						
Use of Goods and Services	23,300,800	13,330,000	36,630,800	32,803,990	-3,826,810	90
Employee costs	25,965,700	6,533,050	32,498,750	32,293,574	-205,176	99
Remuneration of Directors	13,133,500	2,903,760	16,037,260	14,571,921	-1,465,339	91
Repairs and Maintenance	2,600,000	52,042,520	54,642,520	4,580,012	-50,062,508	8

**North Rift Valley Water Works Development Agency  
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	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
Contracted Services	-	-	-	-	-	0
Grants and Subsidies	700,000,000	428,200,000	1,128,200,000	212,525,046	-915,674,954	19
<b>Total Expenditure</b>	<b>765,000,000</b>	<b>503,009,330</b>	<b>1,268,009,330</b>	<b>296,774,543</b>	<b>-971,234,787</b>	<b>23</b>
<b>Surplus for the period</b>				<b>275,137,833</b>		
<b>Capital Expenditure</b>	<b>330,000,000</b>	-	<b>330,000,000</b>	<b>82,427,493</b>	<b>-247,572,507</b>	<b>25</b>

**Explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14**

- **Use of goods and services-** the absorption of 90% was caused by under expenditure on motor vehicle insurance and motor vehicle fuel. The under-expenditure was primarily caused by delays in the procurement of two additional vehicles and their associated insurance costs. Additionally, there was recall of three vehicles to Lake Victoria North Water Works Development Agency.
- **Repair and maintenance Costs** - The under absorption was caused by delays in the procurement of motor vehicles and office furniture, with the motor vehicles requiring special orders that take up to three months to be delivered.
- **Rural Water Supply Projects.** The Agency was allocated a budget of Kshs.1,128,200,000 however it received only a disbursement of Kshs.431,095,000 for the financial year. Further, there were also delays in the disbursements of funds as The Agency received Kshs.246,250,000 at the end of the financial year.

**Explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes.**  
**(IPSAS 24.29)**

- Total Revenue: The difference between the original budget revenue and the final budget revenue is that the final budget revenue include Kshs.58,000,000 for recurrent budget, Kshs.428,000,000 for Rural water projects and Kshs.11,809,330 being salary of seconded staff to the Agency paid by the respective institutions they came from. The Also received Kshs.200,000 was received as donation to support world water day celebrations.
- Total Expenditure: The difference between the original budget expenses and the final budget expenses is that the final budget expenses include Kshs.58,000,000 for additional recurrent budget, Kshs.428,000,000 for Rural water projects and Kshs.11,809,330 being salary of seconded staff to the Agency paid by the respective institutions they came from. The Also received Kshs.200,000 was received as donation to support world water day celebrations.
- The Agency also received a development budget of Kshs.330,000,000 out of which Kshs.240,000,000 was disbursed. The Agency but absorbed Kshs. 82,427,493 amounting to 25% absorption. This is because the process of land acquisition for Moisbridge matunda had not been finalized in order to commence the project. Additionally, there was delay in disbursement of funds since Kshs.57,500,000 was received at the end of the financial year.

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**19. Notes to the Financial Statements**

**1. General Information**

North Rift Valley Water Works Development Agency is established by and derives its authority and accountability from water Act 2016. The Agency is wholly owned by the Government of Kenya and is domiciled in Kenya. The Agency's principal activity is develop and maintain water and sanitation infrastructure within its area of jurisdiction.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Agency. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

**3. Adoption of New and Revised Standards**

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*  
There were no new and amended standards issued in the financial year
- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*
- iii. .

Standard	Effective date and impact:
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The standard does not have impact on the Agency</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The standard does not have impact on the Agency</p>
IPSAS 45- Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets,</p>

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Standard	Effective date and impact:
	<p>implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The standard does not have impact on the Agency</p>
<p>IPSAS 46 Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The standard does not have impact on the Agency</p>
<p>IPSAS 47- Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>The standard does not have impact on the Agency</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and</p>

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Standard	Effective date and impact:
	<p>cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>The standard does not have impact on the Agency</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>The standard does not have impact on the Agency</p>

*iv. Early adoption of standards*

The Agency did not early – adopt any new or amended standards in the financial year

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**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Fees, taxes and fines**

The Agency recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Agency and the fair value of the asset can be measured reliably.

**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 Agency 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 realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Agency recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

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**Summary of Significant Accounting Policies (Continued)**

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Agency.

**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.

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the Agency's right to receive payments is established.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**b) Budget information**

The original budget for the Current FY was approved by the National Assembly on January 2023. 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 Agency upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Agency recorded additional appropriations of Kshs.58,000,000 for recurrent expenditure and Kshs.428,000,000 for Rural Water Supply project on the 2023-24 budget following the governing body's approval.

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Budget information (continued)**

The Agency'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 a 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 under section 18 of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Agency operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

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**Summary of Significant Accounting Policies (Continued)**

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Agency and the same taxation authority.

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

**Summary of Significant Accounting Policies (Continued)**

*Sales tax*

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included  
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

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**Summary of Significant Accounting Policies (Continued)**

**e) Property, plant and equipment**

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 Agency 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.

**f) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Agency. 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. The Agency 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 so as 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 the Agency 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.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Agency. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**Annual Reports and Financial Statements  
for the year ended June 30, 2024.**

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

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**Summary of Significant Accounting Policies (Continued)**

**g) 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.

**h) Research and development costs**

The Agency expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Agency can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) 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.

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

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**Summary of Significant Accounting Policies (Continued)**

**i) 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. The Agency does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Agency'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.

**a) Financial assets**

**Classification of financial assets**

The Agency classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Agency'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 cashflows and selling financial assets 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 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 Agency has made irrevocable election at initial recognition for particular investments in equity instruments.

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

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**Summary of Significant Accounting Policies (Continued)**

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the Agency 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.

**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.

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

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**Summary of Significant Accounting Policies (Continued)**

**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.

**Impairment**

The Agency 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 Agency 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 xx.

**b) Financial liabilities**

**Classification**

The Agency classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**j) 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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 Agency.

**Annual Reports and Financial Statements  
for the year ended June 30, 2024.**

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

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**Summary of Significant Accounting Policies (Continued)**

**k) Provisions**

Provisions are recognized when the Agency 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 the Agency 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.

**l) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Agency recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Agency will incur in fulfilling the present obligations represented by the liability.

**m) Contingent liabilities**

The Agency 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.

**n) Contingent assets**

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

**Annual Reports and Financial Statements  
for the year ended June 30, 2024.**

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

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**Summary of Significant Accounting Policies (Continued)**

**o) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

**p) Changes in accounting policies and estimates**

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

**q) Employee benefits**

**Retirement benefit plans**

The Agency 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.

**r) 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.

**Annual Reports and Financial Statements  
for the year ended June 30, 2024.**

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

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**Summary of Significant Accounting Policies (Continued)**

**s) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**t) Related parties**

The Agency 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 Agency, or vice versa. Members of key management are regarded as related parties and comprise the Directors, the CEO and Senior managers.

**u) Service concession arrangements**

The Agency analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Agency 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 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 Agency also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**v) Cash and cash equivalents**

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

**w) Comparative figures**

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

**x) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

**Annual Reports and Financial Statements  
for the year ended June 30, 2024.**

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

**Summary of Significant Accounting Policies (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Agency's 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. State all judgements, estimates and assumptions made:

**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 financial year, 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 value**

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

- a) The condition of the asset based on the assessment of experts employed by the Agency.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) 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 included in Note 40. 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.

**Annual Reports and Financial Statements  
for the year ended June 30, 2024.**

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

**6. Transfers from Other Government entities**

Description	2023-2024	2022-2023
	KShs	KShs
<b>Unconditional Grants</b>		
Operational Grant	-	-
Unconditional development grants	-	-
Other Grants	-	-
<b>Total Unconditional Grants</b>	-	-
<b>Conditional Grants amortised/ transferred to revenue</b>		
Housing Development Grant	-	-
Infrastructure Grant	-	-
Library Grant	-	-
Facilities Development Grant	-	-
Other Organizational Grants (specify)	-	-
<b>Total Government Grants and Subsidies</b>	-	-

**b) Transfers from Ministries, Departments and Agencies (MDAs)**

Name of The Agency Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers 2023-2024	2022-2023
	KShs	KShs	KShs	KShs	KShs
Ministry of Water, Sanitation and Irrigation	560,003,404	-	240,000,000	800,003,404	200,760,998
Central Rift Valley Water Works Development Agency	3,838,228	-	-	3,838,228	4,262,821
Athi Water Works Development Agency	-	-	-	-	204,900
Lake Victoria North Water Works Development Agency	2,062,698	-	-	2,062,698	8,864,935
<b>Total amount recognized in the Statement of Financial Performance</b>	<b>565,904,330</b>	<b>0</b>	<b>240,000,000</b>	<b>805,904,330</b>	<b>214,093,654</b>

**Annual Reports and Financial Statements  
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N/B Salaries for seconded staff amounting to Kshs.11,809,330 were paid directly by the Ministry of Water and the respective Agencies. Their services were recognised in the statement of financial performance but this did not involve movement of cash in the cash flow.

**7. Levies, Fines and Penalties**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fuel Levy	-	-
Other Levies (Specify)	-	-
Fines	-	-
Penalties	-	-
<b>Total</b>	-	-

**8. Public Contributions and Donations**

Description	2023-2024	2022-2023
	Kshs	Kshs
Health Donations	-	-
Research Donations	-	-
Donations transferred to revenue on conditions being met.	-	-
Other Public Donations (Specify)	200,000	-
<b>Total Transfers and Sponsorships</b>	<b>200,000</b>	-
<b>Reconciliation Of Public Contributions and Donations</b>		
Balance Unspent at Beginning of The Year	-	-
Current Year Receipts	200,000	-
Conditions Met - Transferred to Revenue	-	-
Conditions To Be Met - Remain Liabilities	-	-

The revenue was donated by Kenya Pipeline Corporation and Cooperative bank to support World Water Day Celebrations which was being hosted by the Agency in Elgeyo Marakwet County on 23<sup>rd</sup> March 2024

**Annual Reports and Financial Statements  
for the year ended June 30, 2024.**

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

**9. Property Taxes Revenue**

Description	2023-2024	2022-2023
	KShs	KShs
<b>Taxable Land and Buildings</b>		
Residential	-	-
Commercial	-	-
State	-	-
Penalties	-	-
<b>Sub- Total Property and Taxes</b>	-	-
Income Forgone/ waived	-	-
<b>Total Property Taxes Revenue</b>	-	-

**10. Licenses, Fees and Permits**

Description	2023-2024	2022-2023
	Kshs	Kshs
Licenses	-	-
Fees	-	-
Permits	-	-
<b>Total</b>	-	-

**11. Rendering Of Services**

Description	2023-2024	2022-2023
	KShs	KShs
Tuition Fees	-	-
Training Fees	-	-
Health services	-	-
Service Fees (specify)	-	-
Quality Assurance	-	-
Others (specify)	-	-
<b>Total Revenue from The Rendering Of Services</b>	-	-

**Annual Reports and Financial Statements  
for the year ended June 30, 2024.**

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

**12. Sale of Goods**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Sale of goods</b>		
Sale of electricity	-	-
Sale of water	-	-
Sale of books	-	-
Sale of publications	-	-
Other (include in line with your organisation)	-	-
<b>Total revenue from the sale of goods</b>	-	-

**13. Rental Revenue from Facilities and Equipment**

Description	2023-2024	2022-2023
	Kshs	Kshs
Operating Lease Revenues	-	-
Staff Houses	-	-
Contingent Rentals*	-	-
<b>Total Rentals</b>	-	-

**14. Finance Income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	-	-

**Annual Reports and Financial Statements  
for the year ended June 30, 2024.**

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

**15. Other Income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Agency fee	-	-
Income written back	-	-
Bad debts recovered	-	-
Miscellaneous incomes (interest income)	5,808,046	509,508
<b>Total Other income</b>	<b>5,808,046</b>	<b>509,508</b>

**16. Use of Goods and Services**

Description	2023-2024	2022-2023
	KShs	KShs
Electricity	388,008	507,954
Water	100,192	102,007
Professional Services	-	98,000
Subscriptions	84,400	85,900
Advertising	-	-
Admin Fees	-	-
Audit Fees	750,000	750,000
Conferences and Delegations	4,883,964	964,200
Consulting Fees	-	-
Consumables	-	-
Fuel and Oil	2,067,859	1,796,507
Insurance	824,059	435,548
Legal Expenses	-	-
Licenses and Permits	-	-
Chemicals	-	-
Water Purification Cost	-	-
Postage	227,832	237,310
Printing and Stationery	2,201,052	1,318,104
Hire Charges	-	-
Rent expenses	8,475,860	4,663,200
Security Costs	-	-
Sewage Treatment Costs	-	-
Skills Development Levies	-	-
Inventory Scrapping	-	-
Telecommunication	1,240,442	1,080,300

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Description	2023-2024	2022-2023
	KShs	KShs
Training	4,126,098	864,945
Travel, Subsistence & Other Allowances*	6,027,810	7,196,633
Bank charges	184,144	86,106
Other General Expenses	1,222,270	1,280,863
<b>Total Use of Goods and Services Costs (recognized in the statement of financial performance)</b>	<b>32,803,990</b>	<b>21,467,577</b>
Add items in the cashflow but not in the statement of financial performance (Accrued payments for previous FY paid for in the current FY, staff advance and stationary paid for but not utilized in the current FY)	1,273,406	1,808,253
Less items not affecting cashflow statement (Expenses recognized during the financial year but not paid for and stationary paid for in the previous FY but expensed in the current FY)	883,824	749,961
<b>Total Use of Goods and Services Costs (recognized in the cashflow statement)</b>	<b>33,193,572</b>	<b>22,525,869</b>

Other General Expenses amounting to Kshs.1,222,270 include Corporate Social Responsibility cost amounting to Kshs.359,720, Office Telephone Expenses amounting to Kshs.10,000, Purchase of uniforms and clothing amounting to Kshs.97,000 and Hospitality supplies and services amounting to Kshs.755,550.

**17. Employee Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages Central Rift Valley Water Works Development Agency	3,838,228	4,262,821
Salaries and wages Lake Victoria North Water Works Development Agency	2,062,698	8,864,935
Salaries and wages Athi Water Water Works Development Agency	-	204,900
Salaries and wages Ministry of Water, Sanitation and Irrigation	5,908,404	5,510,998
Salaries and Wages	14,526,495	10,336,192
Employer contribution to health Insurance Schemes		
Employer contribution to pension schemes	178,680	135,000
Travel, accommodation, subsistence, & other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions		
Gratuity	2,303,835	1,396,320
Other employee related costs *	3,475,234	523,000
<b>Employee costs</b>	<b>32,293,574</b>	<b>31,234,166</b>

Other related costs relate to Kshs.358,000 for telephone allowances, Kshs.370,200 relating to staff welfare and Kshs.2,747,034 for staff recruitment expenses.

N/B Salaries for seconded staff amounting to Kshs.11,809,330 were paid directly by the Ministry of Water and the respective Agencies. Their services were recognised in the statement of financial performance but this did not involve movement of cash in the cash flow. Gratuity expense

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amounting to Kshs.2,303,834 was also recognised in the statement of financial performance but did not involve movement of cash in the cashflow.

**18. Board Expenses**

Description	2023-2024	2022-2023
	Kshs	Kshs
Chairman/Directors' Honoraria	560,000	960,000
Sitting Allowances		3,552,000
Medical Insurance	1,267,400	786,200
Induction and Training	3,145,116	1,898,011
Travel and Accommodation	9,599,405	6,927,365
Other Allowances		-
<b>Total</b>	<b>14,571,921</b>	<b>14,123,576</b>

**19. Depreciation and Amortization Expense**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	5,317,854	2,041,585
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>5,317,854.00</b>	<b>2,041,585</b>

The increase in depreciation was occasioned by purchase of new vehicle at the end of FY2022-23 and server during the FY 2023-24

**20. Repairs and Maintenance**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property and equipment	1,305,245	37,945
Investment Property	-	-
Equipment and Machinery	-	-
Vehicles	1,598,613	1,347,750
Furniture and Fittings	318252	-
Computers and Accessories	398250	-
Others-Motor Vehicle tyres and batteries	959,652	172,000
<b>Total Repairs and Maintenance</b>	<b>4,580,012</b>	<b>1,557,695</b>

The increase in the cost of repairs was occasioned by office partitions during the year.

**21. Contracted Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Actuarial Valuations	-	-
Investment Valuations	-	-
Property Valuations	-	-
Others (specify)	-	-
<b>Total Contracted Services</b>	<b>-</b>	<b>-</b>

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

**22. Grants and Subsidies**

Description	2023-2024	2022-2023
	Kshs	Kshs
Community Development (Rural Water Supplies Projects)	212,525,046	62,596,896
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefit expenses*	-	-
Community Trust	-	-
Sporting Bodies	-	-
<b>Total Grants and Subsidies recognized in the statement of financial performance</b>	<b>212,525,046</b>	<b>62,596,896</b>
Less items recognized in the statement of financial performance and not in the statement of cashflow (retention recovered during the financial year but not paid by the end of the financial year and advance recovered in the current FY)	24,829,674	3,186,818
Add items recognized in the statement of cashflow and not in the statement of financial performance (advance to contractors during the FY 2023-24, retention paid for but had been expensed in the FY 2022-23 and staff advances inform of imprest)	15,725,943	13,649,122
<b>Total Grants and Subsidies recognized in the statement of cashflow</b>	<b>203,421,315</b>	<b>73,059,200</b>

**23. Finance Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount on lease liabilities	-	-
Interest on bank overdrafts	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

**24. Gain on Sale of Assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

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

**25. Gain/Loss on foreign exchange transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
Gain on foreign exchange transactions	-	-
Loss on foreign exchange transactions	-	-
<b>Total Gain/Loss</b>	-	-

**26. Gain/ (loss) on Fair Value Investments**

Description	2023-2024	2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
<b>Total Gain</b>	-	-

**27. Impairment Loss**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total Impairment Loss</b>	-	-

**28. Taxation**

Description	2023-2024	2022-2023
	Kshs	Kshs
Current income tax charge	-	-
Tax charged on rental income	-	-
Tax charged on interest income	-	-
Deferred tax: [note 53]	-	-
Original and reversal of temporary differences	-	-
<b>Income tax expense reported in the statement of financial performance</b>	-	-

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

**29. Cash and Cash Equivalents**

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	662,133,537	228,269,576
Savings Account	-	-
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
<b>Total Cash and Cash Equivalents</b>	<b>662,133,537</b>	<b>228,269,576</b>

**Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank Revenue Account	1280469625	441,078	234,821
Kenya Commercial Bank Recurrent Account	1280469390	46,896,785	6,055,904
Kenya Commercial Bank Development Account	1280469552	551,613,523	169,497,368
Co-operative Bank Rural Water Supply Projects	01141958483700	47,158,170	46,521,315
Co-operative Bank Retention Account	01141958483701	12,117,999	4,347,123
Co-operative Bank Gratuity Account	01141958483702	3,905,982	1,613,045
<b>Sub- Total</b>		<b>662,133,537</b>	<b>228,269,576</b>
<b>b) On Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
Sub- Total		-	-
<b>c) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
<b>d) Staff Car Loan/ Mortgage</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		-	-
<b>e) Others (Specify)</b>			
Cash in Transit		-	-

**Annual Reports and Financial Statements  
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Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
Cash in Hand		-	-
Mobile Money Accounts		-	-
<b>Sub- Total</b>		-	-
<b>Grand Total</b>		<b>662,133,537</b>	<b>228,269,576</b>

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

**30. Receivables from Exchange Transactions**

**(a) Receivables from Exchange Transactions (Current)**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Receivables</b>		
Service, Water and Electricity Debtors	9,715,560	12,024,703
Other Exchange Debtors	-	-
<b>Total Current Receivables</b>	<b>9,715,560</b>	<b>12,024,703</b>

**(b) Receivables from Exchange Transactions (Long-term)**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Total receivables</b>	-	-
Service, water and electricity debtors	3,275,230	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	-	-
Current portion transferred to current receivables	-	-
<b>Total non-current receivables</b>	<b>3,275,230</b>	-
<b>Total receivables (a+b)</b>	<b>12,990,790</b>	<b>12,024,703</b>

The debtors relate to Kshs.11,669,390 being advance payments to contractors, Kshs.400,000 being advance to Vivo energies for operating fuel and Kshs.921,400 being staff advances inform of imprest.

**(c) Ageing analysis for Receivables from exchange transactions**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	9,715,560	%	12,024,703	%
Between 1- 2 years	3,275,230	%	-	%
Between 2-3 years		%	-	%
Over 3 years		%	-	%
<b>Total (a+b)</b>	<b>12,990,790</b>	<b>%</b>	<b>12,024,703</b>	<b>%</b>

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

**(c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions**

Impairment allowance/ provision	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
<b>At the end of the year</b>	-	-

**Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

**31. Receivables from Non-Exchange Transactions**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Property tax debtors	-		-	
Levies, fines, and penalties	-		-	
Licenses, fees and permits	-		-	
Other debtors (non-exchange transactions)	-		-	
Less: impairment allowance	-		-	
<b>Total receivables from non- exchange transactions</b>	-		-	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2023-2024</b>	<b>% of the total</b>	<b>2022-2023</b>	<b>% of the total</b>
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

Description	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
<b>At the end of the year</b>	-	-

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

**32. Inventories**

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	513,245	661,504
Medical supplies	-	-
Spare parts and meters	-	-
Water for distribution	-	-
Other goods held for resale	-	-
Catering	-	-
Less: allowance for impairment	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	<b>513,245</b>	<b>661,504</b>

The inventories relate to the stationaries in the store at the end of the financial year

**33. Investments in financial assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>a) Investment in Treasury bills and bonds</b>		
<b>Financial institution</b>		
CBK	-	-
CBK	-	-
<b>Sub- total</b>	-	-
<b>b) Investment with Financial Institutions/ Banks</b>	-	-
Bank x	-	-
Bank y	-	-
<b>Sub- total</b>	-	-
<b>c) Equity investments (specify)</b>	-	-
Equity/ shares in Agency	-	-
<b>Sub- total</b>	-	-
<b>Grand total</b>	-	-

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

**a) Movement of Equity Investments**

Impairment allowance/ provision	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

**b) Shareholding in other entities**

Name of Agency where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

**Annual Reports and Financial Statements  
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**Notes to the Financial Statements (Continued)**

**34. Property, Plant and Equipment**

Cost or Valuation	Furniture office equipment fittings 12.5%	Computer & Accessories 33.3%	Motor Vehicle 25%	Plant, Machinery & Equipment 20%	Water Supply Infrastructure 2.5%	Land and Buildings	Capital Work in Progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at July 1,2022	4,083,500	4,598,040	0	0	0	0	2,349,548	<b>11,031,088</b>
Additions at cost	0	0	11,930,000	0	0	0	7,059,717	<b>18,989,717</b>
Disposals	0	0	0	0	0	0	0	<b>0</b>
<b>As at June 30, 2023</b>	<b>4,083,500</b>	<b>4,598,040</b>	<b>11,930,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,409,265</b>	<b>30,020,805</b>
<b>Depreciation</b>								
Balance as at July 1,2022	1,020,875	2,185,682	0	0	0	0	0	<b>3,206,557</b>
Charge for the period	510,438	1,531,147	0	0	0	0	0	<b>2,041,585</b>
Disposals	0	0	0	0	0	0	0	<b>0</b>
<b>Balance as at June 30, 2023</b>	<b>1,531,313</b>	<b>3,716,829</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,248,142</b>
<b>Net Book Values as at June 2023</b>	<b>2,552,188</b>	<b>881,211</b>	<b>11,930,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,409,265</b>	<b>24,772,663</b>
As at July 1,2023	4,083,500	4,598,040	11,930,000	0	0	0	9,409,265	<b>30,020,805</b>
Additions at cost	136,880	8,475,424	0	0	0	0	83,679,552	<b>92,291,856</b>
Disposals	0	0	0	0	0	0	0	<b>0</b>
<b>As at June 30, 2024</b>	<b>4,220,380</b>	<b>13,073,464</b>	<b>11,930,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93,088,817</b>	<b>122,312,661</b>
<b>Depreciation</b>								
Balance as at July 1,2023	1,531,313	3,716,829	0	0	0	0	0	<b>5,248,142</b>
Charge for the period	527,548	1,807,806	2,982,500	0	0	0	0	<b>5,317,854</b>
Disposals	0	0	0	0	0	0	0	<b>0</b>
<b>Balance as at June 30, 2024</b>	<b>2,058,860</b>	<b>5,524,635</b>	<b>2,982,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,565,995</b>
<b>Net Book Values</b>								
<b>Net Book Values as at June 2023</b>	<b>2,552,188</b>	<b>881,211</b>	<b>11,930,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,409,265</b>	<b>24,772,663</b>
<b>Net Book Values as at June 2024</b>	<b>2,161,520</b>	<b>7,548,829</b>	<b>8,947,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93,088,817</b>	<b>111,746,666</b>

The WIP amount relates to development of ERP system and development projects which are Moisbridge Matunda and Soi Kosachei water supplies.

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

**Valuation**

The Agency currently does not own land or building hence no valuation has been carried out.

**34 (b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	11,930,000	2,982,500	8,947,500
Computers And Related Equipment	13,073,464	5,524,635	7,548,829
Office Equipment, Furniture, And Fittings	4,220,380	2,058,860	2,161,520
<b>Total</b>	<b>29,223,844</b>	<b>10,565,995</b>	<b>18,657,849</b>

Note. The Agency uses straight line method of depreciation as per the Agency financial procedure manual.

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	1,963,800	654,600
Office Equipment, Furniture and Fittings	-	-
<b>Total</b>	<b>1,963,800</b>	<b>654,600</b>

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

**35. Intangible Assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
Additions–internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**36. Investment Property**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
<b>At end of the year</b>	-	-

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

**37. Trade and Other Payables**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade payables	14,888,739		5,356,760	
Payments received in advance	-		-	
Employee payables	3,917,359		1,613,525	
Third-party payments	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	<b>18,806,098</b>		<b>6,970,285</b>	
Ageing analysis: (Trade and other payables)	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	15,160,890	%	5,922,980	%
1-2 years	2,263,483	%	365,600	%
2-3 years	1,381,725	%	681,705	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	<b>18,806,098</b>		<b>6,970,285</b>	

The trade payables relate to retention money owed to contractors and paid upon completion of the projects. Additionally, it relates to accrued electricity and water bills as well as accrued gratuity paid upon end of contract for CEO

**38. Refundable Deposits and Prepayments from Customers**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Customer deposits	-		-	
Prepayments	-		-	
Other deposits	-		-	
<b>Total deposits</b>	<b>-</b>		<b>-</b>	
Ageing analysis: (Refundable deposits)	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>-</b>		<b>-</b>	

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

**39. Current Provisions**

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance b/f</b>	-	-	-	-	-
Additional provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Transfers from non-current provisions	-	-	-	-	-
<b>Total provisions year end</b>	-	-	-	-	-

**40. Finance Lease Obligation**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>At the start of the year</b>	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

**Maturity Analysis**

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 And Onwards	-
Less: Unearned Interest	-
<b>Total</b>	-

**Analysed as:**

Description	Amount (Kshs)
Current	-
Non- Current	-
<b>Total</b>	-

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

The deferred income movement is as follows:

**41. Deferred Income**

Description	2023-2024	2022-2023
	Kshs	Kshs
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	-	-

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-	-
Additions	-	-	-	-
Transfers to Capital Fund	-	-	-	-
Transfers to Income Statement	-	-	-	-
Other Transfers	-	-	-	-
<b>Balance Carried Forward</b>	-	-	-	-

**42. Employee Benefit Obligations**

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2023-2024	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Opening balance as at 1 <sup>st</sup> July	-	-	-	1,613,525	217,205
Current Benefit Obligation	-	-	-	2,303,834	1,396,320
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	-	-	-	<b>3,917,359</b>	<b>1,613,525</b>

**Retirement benefit Asset/ Liability**

The Agency during the financial year did not have staff on permanent and pensionable terms therefore it did not have defined scheme however upon recruitment of new staff the Agency will operate a defined benefit scheme for all full-time employees. Since the Agency did not have a pension scheme, actuarial valuation was not done

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

Description	2023-2024	2022-2023
Discount Rates	0%	0%
Future Salary Increases	0%	0%
Future Pension Increases	0%	0%
Mortality (Pre- Retirement)	0%	0%
Mortality (Post- Retirement)	0%	0%
Withdrawals	0%	0%
Ill Health	0%	0%
Retirement	0 years	0 years

**Recognition of Retirement Benefit Asset/ Liability**

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2023-2024	2022-2023
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Remeasurement of the net defined benefit liability (asset)</b>	-	-

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

**b) Amounts recognised in the Statement of Financial Position**

	2023-2024	2022-2023
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded Status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net Asset or liability arising from defined benefit obligation	-	-

The Agency also contribute to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Agency's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1,080 per employee per month. Other than NSSF the Agency will also contribute to a defined benefits scheme once established or may join the water sector pension which is currently operational Employees contribute will 7.5% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred

**43. Non-Current Provisions**

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Less: Current portion	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-

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

**44. Borrowings**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>a) External borrowings</b>		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	-	-
<b>Balance at end of the year</b>	-	-
<b>b) Domestic borrowings</b>		
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	-	-
<b>Balance at end of the year</b>	-	-
<b>Balance at end of the period- domestic and External borrowings c = a+b</b>	-	-

The analyses of both external and domestic borrowings are as follows:

	2023-2024	2022-2023
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organization'	-	-
	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
<b>Total Balance at End Of The Year</b>	-	-

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

**45. Service Concession Arrangements**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

**46. Social Benefit Liabilities**

Description	2023-2024	2022-2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Disability social benefits	-	-
Total	-	-
<b>Current social benefits</b>	-	-
<b>Non- current social benefits</b>	-	-
<b>Total (tie to totals above)</b>	-	-

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

**47. Surplus Remission (for category 3 entities)**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Agency did not make any surplus during the year and hence no remittance to the Consolidated Fund.

The Surplus Remission has been computed as follows:

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus for the period	-	-
Less: Allowable deductions by NT	-	-
90% Computation (Included in Statement of Financial Performance)	-	-

**Surplus Remission Payable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Payable at the beginning of the year	-	-
Paid during the year	-	-
<b>Payable at end of the year</b>	-	-

**48. Taxation**

Description	2023-2024	2022-2023
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 27)	-	-
Under/(over) provision in prior year/s (note 27)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

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

**49. Deferred Tax Liability**

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	2023-2024	2022-2023
	Kshs	Kshs 2021-2022
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
<b>Net deferred tax liability/(asset)</b>	-	-
<b>The movement on the deferred tax account is as follows:</b>		
<b>Balance at beginning of the year</b>	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
<b>Balance at end of the year</b>	-	-

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

**50. Cash Generated from Operations**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Surplus for the year before tax</b>	<b>269,819,979</b>	<b>(8,418,333)</b>
<b>Adjusted for:</b>		
Depreciation	5,317,854	2,041,585
Non-cash grants received		-
Contributed assets		-
Impairment		-
Gains and losses on disposal of assets		-
Contribution to provisions		-
Contribution to impairment allowance		-
Finance income		-
Finance cost		-
<b>Working capital adjustments</b>		
Increase in inventory	148,259	(661,504)
Increase in receivables	(966,087)	(11,598,703)
Increase in deferred income		-
Increase in payables	11,835,813	2,135,930
Increase in payments received in advance		-
<b>Net cash flow from operating activities</b>	<b>286,155,817</b>	<b>(16,501,025)</b>

**51. Financial Risk Management**

The Agency's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Agency's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Agency does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Agency's financial risk management objectives and policies are detailed below:

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

**i) Credit risk**

The Agency has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Agency's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

The carrying amount of financial assets recorded in the financial statements representing the Agency's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30th June (2024)</b>				
Receivables from exchange transactions	12,990,790	12,024,703	-	-
Receivables from non-exchange transactions	-	-	-	-
<b>Bank balances</b>	662,133,537	228,269,576	-	-
<b>Total</b>	<b>675,124,327</b>	<b>240,294,279</b>	-	-
<b>As at 30 June (2023)</b>	-	-	-	-
Receivables from exchange transactions	12,024,703	12,024,703	-	-
Receivables from non-exchange transactions	-	-	-	-
<b>Bank balances</b>	228,269,576	228,269,576	-	-
<b>Total</b>	<b>240,294,279</b>	<b>240,294,279</b>	-	-

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

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Agency has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from contractors. The board of directors sets the Agency's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Agency's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Agency manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Agency under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30th June 2024</b>				
Trade payables	581,945	3,617,636	10,689,157	14,888,738
Current portion of borrowings	-	-	-	-
Provisions				
Deferred income				
Employee benefit obligation	312,763	625,524	2,979,072	3,917,359
<b>Total</b>	<b>894,708</b>	<b>4,243,160</b>	<b>13,668,229</b>	<b>18,806,098</b>
<b>As at 30th June 2023</b>				
Trade payables	1,760,637	235,640	3,360,483	5,356,760
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	116,360	232,720	1,264,445	1,613,525
<b>Total</b>	<b>1,876,997</b>	<b>468,360</b>	<b>4,624,928</b>	<b>6,970,285</b>

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

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**Financial Risk Management**

**iii) Market risk**

The Agency has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Agency's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Agency's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The Agency has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Agency manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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

**Financial Risk Management**

**Financial Risk Management**

The carrying amount of the Agency's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

**FY 2024**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30th June 2024</b>			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**Foreign currency sensitivity analysis**

**FY2024**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30th June 2023</b>			
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

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**Notes To The Financial Statements (Continued)**

**Financial Risk Management**

The following table demonstrates the effect on the Agency's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>Current FY</b>			
Euro	10%	-	-
USD	10%	-	-
<b>Previous FY</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

Interest rate risk is the risk that the Agency's financial condition may be adversely affected as a result of changes in interest rate levels. The Agency's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Agency's deposits.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**Financial Risk Management**

**Sensitivity analysis**

The Agency analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 Current FY: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (Current FY – Kshs 0)

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

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**Financial Risk Management**

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Agency's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Agency considers relevant and observable market prices in its valuations where possible.

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

**Financial Risk Management**

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2024</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June 2023</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	-	-	-	-

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

The objective of the Agency's capital risk management is to safeguard the Agency's ability to continue as a going concern. The Agency capital structure comprises of the following funds:

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	379,420,836	104,283,003
Capital Reserve	389,157,304	154,475,158
<b>Total Funds</b>	<b>768,578,140</b>	<b>258,758,161</b>
<b>Total Borrowings</b>	<b>-</b>	<b>-</b>
<b>Less: Cash and Bank Balances</b>	<b>662,133,537</b>	<b>228,269,703</b>
<b>Net Debt/(Excess Cash And Cash Equivalents)</b>	<b>(662,133,537)</b>	<b>(228,269,703)</b>
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

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

**52. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the Agency include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Agency, holding 100% of the Agency's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Agency, both domestic and external.

**Other related parties include:**

- i. The Parent Ministry.
- ii. County Governments
- iii. Other SCs and SAGAs
- iv. WASREB
- v. OAG
- vi. Key Management
- vii. Board of directors.

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>A) Sales to related parties</b>		
Sales of electricity to govt agencies	-	-
Rent income from govt. Agencies	-	-
Water sales to govt. Agencies	-	-
Others (specify) e.g., interest and bank charges	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>B) purchases from related parties</b>		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	8,475,860	4,663,200
Training and conference fees paid to govt. Agencies		-
Others		-
<b>Total</b>	<b>8,475,860</b>	<b>4,663,200</b>
<b>C) Grants /transfers from the government</b>		
Transfer from Ministry of Water, Sanitation and Irrigation	805,904,330	200,760,998
Transfer from Central Rift Valley Water Works Development Agency Board	3,838,228	4,262,821

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Description	2023-2024	2022-2023
	Kshs	Kshs
Transfer from Lake Victoria North Water Works Development Agency	2,062,698	8,864,935
Transfer from Athi Water Services Board		204,900
<b>Total</b>	<b>811,805,256</b>	<b>214,093,654</b>
<b>D)Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees		-
Payments for goods and services for xxx		-
<b>Total</b>		
<b>Key management compensation</b>		
Directors' emoluments	14,571,921	14,123,576
Compensation to key management	<b>20,484,243</b>	12,390,512
<b>Total</b>	<b>35,056,164</b>	<b>26,514,088</b>

**53. Segment Information**

The Agency does not operate in different geographical regions or in departments and therefore there is no segmental reporting.

**54. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Agency did not have any contingent asset during the financial year

**Contingent Liabilities**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Agency did not have any contingent liability during the financial year

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

**55. Capital Commitments**

<b>Capital Commitments</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised for	-	-
Authorised and Contracted for	1,921,422,451	1,921,422,451
<b>Total</b>	-	-

The amount relates to contract for construction of Moisbridge-Matunda water supply project

**56. Events after the Reporting Period**

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

**57. Ultimate And Holding Entity**

The Agency is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Water, Sanitation and Irrigation. Its ultimate parent is the Government of Kenya.

**58. Currency**

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

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**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General's Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.	<p><b>Lack of Risk Management Policy</b></p> <p>As reported previously, North Rift Valley Water Works Development Agency operated without a risk management policy contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires each National entity to develop risk management strategies and a system of risk management.</p> <p>In the circumstances, the Management was in breach of the law.</p>	<p>The Agency has a draft policy which will be submitted to the Board for approval</p>	Resolved	1 <sup>st</sup> December 2023
2.	<p><b>Inadequate Staffing of Finance and Accounting Department</b></p> <p>As reported previously, the finance and accounting department is not adequately staffed to effectively and efficiently carry out its mandate as it had only a finance manager who carried out the functions of budgeting, processing of payments, receiving and making payments, updating of cash books, updating of general and subsidiary ledgers, preparation of monthly reconciliation statements, preparation of quarterly and annual financial statements among other duties.</p> <p>In the circumstance, segregation of duties for effective service delivery may not have been possible.</p>	<p>The Agency has recruited two staff and is in the process of recruiting one additional staff</p>	Resolved	31 <sup>st</sup> December 2024
3.	<p><b>Lack of Information Communication Technology (ICT) Strategy</b></p>	<p>The Agency has developed a draft information</p>	NResolved	31 <sup>st</sup> December 2024

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	<p>During the year under review, the Agency did not have in place IT strategic committee, data recovery plan (DRP) and IT security policy that are vital in effective and efficient management of the entity's IT resources. Further, the Agency did not have an IT steering committee which is important in performing oversight function and formulation of policies to ensure that IT department functions effectively to assist in achievement of organizational objectives in an economic, efficient and effective manner. In addition, the Agency did not have periodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures. In the circumstances, business continuity may not be possible incase of a disaster.</p>	<p>communication technology strategy</p>		

*Edwin C. Rocete, Jr.*

Chief Executive Officer

Date: 3/12/2024

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**Appendix II: Projects implemented by North Rift Valley Water Works Development Agency**

**a) Rural Water Supply Projects**

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)
Nakwemekwi I and II boreholes Kopeto primary school borehole		GoK	2022-23	9,000,000	No	Yes
Chepchor water pan		GoK	2022-23	10,000,000	No	Yes
Moiben/Kuserwo water project		GoK	2022-23	10,000,000	No	Yes
Nakurio girls secondary school borehole		GoK	2022-23	8,000,000	No	Yes
Kamoret project		GoK	2022-23	16,000,000	No	Yes
Tot water supply		GoK	2021-22	60,000,000	No	Yes
Kosich phase II		GoK	2021-22	18,000,000	No	Yes
Liter community water supply project		GoK	2023-24	172,000,000	No	Yes
Kimanich - chesoi-Kapsowar water supply		GoK	2023-24	50,000,000	No	Yes
Maron- Sibow Water supply		GoK	2023-24	95,000,000	No	Yes
Arangai Water project		GoK	2023-24	15,000,000	No	Yes
Cheminya water project		GoK	2023-24	30,000,000	No	Yes
Elie Kalokol water project		GoK	2023-24	20,000,000	No	Yes
Embomon - Mogil water supply - Marakwet		GoK	2023-24	35,000,000	No	Yes
Kalapata water supply project		GoK	2023-24	20,000,000	No	Yes
Kamasat water supply project		GoK	2023-24	20,000,000	No	Yes

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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)
Kaptumbo - cherangany dam		GoK	2023-24	20,000,000	No	Yes
Kapyego community water supply		GoK	2023-24	90,000,000	No	Yes
Losito water project		GoK	2023-24	15,000,000	No	Yes
Sabor dam - keiyo North		GoK	2023-24	100,000,000	No	Yes
Sitoton water project		GoK	2023-24	15,000,000	No	Yes
Suwerwa dam		GoK	2023-24	20,000,000	No	Yes
Kamologon - Kamelei - Tenderwa Water Supply Project		GoK	2023-24	141,000,000	No	Yes
Kapsowar Town Water Supply Project		GoK	2023-24	100,000,000	No	Yes
Moi University Water Reticulation		GoK	2023-24	30,000,000	No	Yes
Kamoret Water Supply Project		GoK	2023-24	50,000,000	No	Yes
Water Supply Projects in Uasin Gishu and Elgeyo Marakwet Counties		GoK	2023-24	70,000,000	No	Yes

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**b) Capital Projects**

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)
Moisbridge Matunda water supply project		GoK	2023-24	2,000,000,000	No	Yes
Soy-Kosachei Water Supply Project		GoK	2023-24	800,000,000	No	Yes
ERP system		GoK	2022-23	3,130,144	No	Yes

**Status of Projects completion**

**1. Rural Water Supply Projects**

These are small rural water supply projects which are directly expensed and are not taken to Work in Progress.

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual Disbursement	Sources of funds
1.	Nakwemekwi I and II boreholes Kopeto primary school borehole	8,941,900.00	8,321,313	100%	9,000,000	2,250,000	GoK
2.	Chepchor water pan	9,434,034.50	8,810,945	100	10,000,000	2,500,000	GoK
3.	Moiben/Kuserwo water project	8,950,020.00	4,030,351.81	89	10,000,000	2,500,000	GoK
4.	Nakurio girls secondary school borehole	8,200,005.00	6,590,560	100	8,000,000	2,000,000	GoK
5.	Tot water supply	52,367,332.50	36,171,478	98	60,000,000	25,000,000	GoK
6.	Kosich phase II	17,904,983.00	16,308,292.53	98	18,000,000	18,000,000	GoK
7.	Liter community water supply project	27,900,455.00	28,279,794.10	100	172,000,000	115,250,000	GoK
8.	Kimanich - chesoi-Kapsowar water supply	27,327,768.42	12,297,495.75	60	50,000,000	25,000,000	GoK
9.	Arangai Water project	13,984,410.00	1,860,620 Advance payment	40	15,000,000	8,750,000	GoK
10.	Cheminya water project	26,680,500.00	13,680,000	85	30,000,000	18,500,000	GoK

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SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual Disbursement	Sources of funds
11.	Elie Kalokol water project	19,405,100.00	2,930,918 Advance Payment	98	20,000,000	12,000,000	GoK
12.	Embomon - Mogil water supply project	31,508,158.50	Nil	66	35,000,000	18,750,000	GoK
13.	Kalapata water supply project	16,574,849.50	Nil	20	20,000,000	12,000,000	GoK
14.	Kamasat water supply project	19,677,837.30	Nil	10	20,000,000	12,000,000	GoK
15.	Kaptumbo - cherangany dam	Under procurement	Nil	Under procurement	20,000,000	12,000,000	GoK
16.	Kapyego community water supply	80,990,659.68	Nil	Under procurement	90,000,000	36,250,000	GoK
17.	Losito water project	13,216,335.00	9,559,464	98	15,000,000	8,750,000	GoK
18.	Sabor dam - keiyo North	Under procurement	Nil	Under procurement	100,000,000	50,000,000	GoK
19.	Sitoton water project	13,002,550.00	Nil	50	15,000,000	8,750,000	GoK
20.	Suwerwa dam	17,908,855.00	9,831,508	80	20,000,000	12,000,000	GoK
21.	Kamologon - Kamelei - Tenderwa Water Supply Project	126,490,197.50	Nil	Under procurement	141,000,000	nil	GoK
22.	Kamoret Water Supply Project	22,894,300.00	Nil	Under procurement	50,000,000	20,000,000	GoK
23.	Moi University Water Reticulation	Under procurement	Nil	Under procurement	30,000,000	10,000,000	GoK
24.	Water Supply Projects in Uasin Gishu and Elgeyo Marakwet Counties	Under procurement	Nil	Under procurement	70,000,000	7,000,000	GoK

**2. Status of Capital Projects**

These are capital projects which are under Work in Progress and are capitalized once they are complete.

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual Disbursement	Sources of funds
1.	Moi's bridge Matunda water supply project	2,000,000,000	7,882,508	3	2,000,000,000	40,000,000	GoK
2.	Soy-Kosachei Water Supply Project	800,000,000	587,714	1	800,000,000	50,000,000	GoK
3.	Sage ERP system	3,130,144	939,043	80	3,130,144	2,115,545	GoK

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**Appendix IV: Transfers from Other Government Entities**

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurren t/Develop ment/Oth ers	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receiva bles	Others - must be specific	
Ministry of Water, Sanitation and Irrigation	15-08-23	Recurrent	5,416,667	5,416,667	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	14-09-23	Recurrent	5,416,667	5,416,667	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	16-10-23	Recurrent	5,416,666	5,416,666	-	-	-	-	5,416,666
Ministry of Water, Sanitation and Irrigation	16-11-23	Recurrent	5,416,667	5,416,667	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	06-12-23	Recurrent	5,416,667	5,416,667	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	16-01-24	Recurrent	5,416,667	5,416,667	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	10-02-24	Recurrent	19,916,667	19,916,667	-	-	-	-	19,916,667
Ministry of Water, Sanitation and Irrigation	14-03-24	Recurrent	19,916,667	19,916,667	-	-	-	-	19,916,667
Ministry of Water, Sanitation and Irrigation	12-04-24	Recurrent	19,916,667	19,916,667	-	-	-	-	19,916,667
Ministry of Water, Sanitation and Irrigation	08-05-24	Recurrent	10,250,000	10,250,000	-	-	-	-	10,250,000
Ministry of Water, Sanitation and Irrigation	13-06-24	Recurrent	10,250,000	10,250,000	-	-	-	-	10,250,000
Ministry of Water, Sanitation and Irrigation	30-06-24	Recurrent	10,249,998	10,249,998	-	-	-	-	10,249,998
Ministry of Water, Sanitation and Irrigation	29-02-24	Developm ent	257,500,000	175,000,000	82,500,000	-	-	-	257,500,000

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent /Develop ment/Oth ers	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receiva bles	Others - must be specific	
Ministry of Water, Sanitation and Irrigation	04-04-24	Developm ent	9,845,000	9,845,000	-	-	-	-	9,845,000
Ministry of Water, Sanitation and Irrigation	30-04-24	Developm ent	100,000,000	-	100,000,000	-	-	-	100,000,000
Ministry of Water, Sanitation and Irrigation	30-06-24	Developm ent	303,750,000	246,250,000	57,500,000	-	-	-	303,750,000
Ministry of Water, Sanitation and Irrigation	31-07-23	Recurrent	480,600	480,600	-	-	-	-	480,600
Ministry of Water, Sanitation and Irrigation	31-08-23	Recurrent	500,500	500,500	-	-	-	-	500,500
Ministry of Water, Sanitation and Irrigation	30-09-23	Recurrent	494,530	494,530	-	-	-	-	494,530
Ministry of Water, Sanitation and Irrigation	31-10-23	Recurrent	490,550	490,550	-	-	-	-	490,550
Ministry of Water, Sanitation and Irrigation	30-11-23	Recurrent	490,550	490,550	-	-	-	-	490,550
Ministry of Water, Sanitation and Irrigation	31-12-23	Recurrent	520,440	520,440	-	-	-	-	520,440
Ministry of Water, Sanitation and Irrigation	31-01-24	Recurrent	515,185	515,185	-	-	-	-	515,185
Ministry of Water, Sanitation and Irrigation	28-02-24	Recurrent	502,470	502,470	-	-	-	-	502,470
Ministry of Water, Sanitation and Irrigation	31-03-24	Recurrent	502,470	502,470	-	-	-	-	502,470
Ministry of Water, Sanitation and Irrigation	30-04-24	Recurrent	502,470	502,470	-	-	-	-	502,470
Ministry of Water, Sanitation and Irrigation	31-05-24	Recurrent	406,170	406,170	-	-	-	-	406,170

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Water, Sanitation and Irrigation	30-06-24	Recurrent	502,470	502,470	-	-	-	-	502,470
Lake Victoria North Water Works Development Agency	31-07-23	Recurrent	118,400	118,400	-	-	-	-	118,400
Lake Victoria North Water Works Development Agency	31-08-23	Recurrent	118,400	118,400	-	-	-	-	118,400
Lake Victoria North Water Works Development Agency	30-09-23	Recurrent	184,238	184,238	-	-	-	-	184,238
Lake Victoria North Water Works Development Agency	31-10-23	Recurrent	168,180	168,180	-	-	-	-	168,180
Lake Victoria North Water Works Development Agency	30-11-23	Recurrent	168,160	168,160	-	-	-	-	168,160
Lake Victoria North Water Works Development Agency	31-12-23	Recurrent	168,160	168,160	-	-	-	-	168,160
Lake Victoria North Water Works Development Agency	31-01-24	Recurrent	168,160	168,160	-	-	-	-	168,160
Lake Victoria North Water Works Development Agency	28-02-24	Recurrent	168,160	168,160	-	-	-	-	168,160
Lake Victoria North Water Works Development Agency	31-03-24	Recurrent	168,160	168,160	-	-	-	-	168,160
Lake Victoria North Water Works Development Agency	30-04-24	Recurrent	168,160	168,160	-	-	-	-	168,160
Lake Victoria North Water Works Development Agency	31-05-24	Recurrent	168,160	168,160	-	-	-	-	168,160
Lake Victoria North Water Works Development Agency	30-06-24	Recurrent	296,360	296,360	-	-	-	-	296,360
Central Rift Valley Water Works Development Agency	31-07-23	Recurrent	384,035	384,035	-	-	-	-	384,035

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Central Rift Valley Water Works Development Agency	31-08-23	Recurrent	314,018	314,018	-	-	-	-	314,018
Central Rift Valley Water Works Development Agency	30-09-23	Recurrent	314,018	314,018	-	-	-	-	314,018
Central Rift Valley Water Works Development Agency	31-10-23	Recurrent	314,018	314,018	-	-	-	-	314,018
Central Rift Valley Water Works Development Agency	30-11-23	Recurrent	314,018	314,018	-	-	-	-	314,018
Central Rift Valley Water Works Development Agency	31-12-23	Recurrent	314,018	314,018	-	-	-	-	314,018
Central Rift Valley Water Works Development Agency	31-01-24	Recurrent	314,018	314,018	-	-	-	-	314,018
Central Rift Valley Water Works Development Agency	28-02-24	Recurrent	314,018	314,018	-	-	-	-	314,018
Central Rift Valley Water Works Development Agency	31-03-24	Recurrent	314,018	314,018	-	-	-	-	314,018
Central Rift Valley Water Works Development Agency	30-04-24	Recurrent	314,018	314,018	-	-	-	-	314,018
Central Rift Valley Water Works Development Agency	31-05-24	Recurrent	314,018	314,018	-	-	-	-	314,018
Central Rift Valley Water Works Development Agency	30-06-24	Recurrent	314,018	314,018	-	-	-	-	314,018
<b>TOTAL</b>			<b>805,904,330</b>	<b>565,904,330</b>	<b>240,000,000</b>	-	-	-	<b>805,904,330</b>

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**Appendix V- Inter-Entity Confirmation Letter**

*[Insert your Letterhead]*

*[Insert name of beneficiary Entity]*

*[Insert Address]*

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 20xx as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by <i>[Insert name of beneficiary Entity]</i> as at 30 <sup>th</sup> June (Current FY)							
Reference Number	Date Disbursed	Amounts Disbursed by <i>[SC/SAGA/Fund]</i> (KShs) as at 30th June (Current FY)				Amount Received by <i>[beneficiary Entity]</i> (KShs) as at 30 <sup>th</sup> June (Previous FY) (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

In confirm that the amounts shown above are correct as of the date indicated.

**Head of Accountants department of beneficiary Entity:**

Name ..... Sign ..... Date .....

During the financial year the Agency did not disburse funds to other entities.

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**Appendix VI: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		



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**Appendix VII: Reporting on Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments