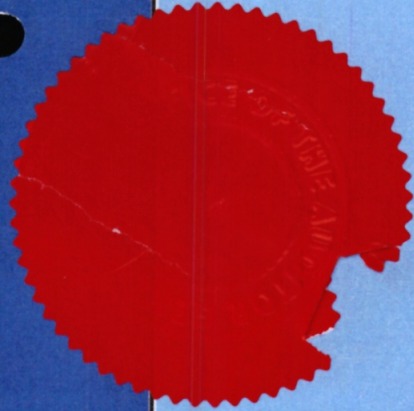


REPUBLIC OF KENYA



Enhancing Accountability



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REPORT

DATE: 28 MAY 2025

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OF

TABLED
BY:

Hon. Owen Bwalya, MP
Deputy Leader of the
Majority Party

CLERK-AT
THE-TABLE:

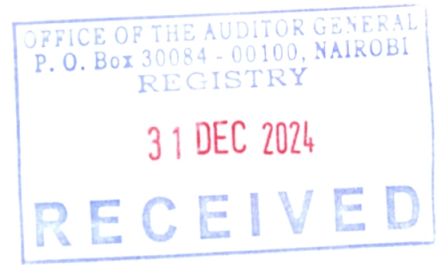
Retha Ngunjo

THE AUDITOR-GENERAL

ON

**WATER SERVICES REGULATORY BOARD
CAR LOAN AND MORTGAGE FUND**

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



WATER SERVICES REGULATORY BOARD (WASREB)

CAR LOAN AND MORTGAGE FUND

FOR THE YEAR ENDED 30 JUNE 2024

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

Water Services Regulatory Board (WASREB) CAR LOAN AND MORTGAGE FUND

For the year ended 30 June 2024.

Water Services Regulatory Board (WASREB) CAR LOAN AND MORTGAGE FUND

For the year ended 30 June 2024.

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Water Services Regulatory Board is a corporate body established under the provisions of the Water Act 2016 and operating under the provisions of the State Corporations Act, Cap 446 of the laws of Kenya and it is domiciled in Kenya.

(b) Principal Activities

The mandate of the institution is to oversee the implementation of policies and strategies relating to provision of water and sewerage services. WASREB sets rules and enforces standards that guide the sector towards ensuring that consumers are protected and have access to efficient, adequate, affordable and sustainable services.

The principal activities of the Water Services Regulatory Board according to the Water Act 2016 are as follows: -

- (i) Determine and prescribe national standards for the provision of water services and asset development for water services providers;
- (ii) Evaluate and recommend water and sewerage tariffs to the county water services providers and approve the imposition of such tariffs in line with consumer protection standards;
- (iii) Set licence conditions and accredit water services providers;
- (iv) Monitor and regulate licensees and enforce licence conditions;
- (v) Develop a model memorandum and articles of association to be used by all water companies applying to be licensed by the regulatory board to operate as water services providers;
- (vi) Monitor compliance with standards including the design, construction, operation and maintenance of facilities for the provision of water services by the water works development bodies and the water services providers;
- (vii) Advise the cabinet secretary on the nature, extent and conditions of financial support to be accorded to water services providers for providing water services;
- (viii) Monitor progress in the implementation of the water strategy and make appropriate recommendations;
- (ix) Maintain a national database and information system on water services;

KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

Principal Activities (continued)

- (x) Develop guidelines on the establishment of consumer groups and facilitate their establishment;
- (xi) Inspect water works and water services to ensure that such works and services meet the prescribed standards.
- (xii) Report annually to the public on issues of water supply and sewerage services and the performance of relevant sectors and publish the reports in the gazette;
- (xiii) Make regulations on water services and asset development which shall include business, investment and financing plans in order to ensure efficient and effective water services and progressive realization of the right to water services;
- (xiv) Advise the cabinet secretary on any matter in connection with water services; and
- (xv) Make recommendation²⁰s on how to provide basic water services to marginalised areas.

Vision

The Vision of the Board is “A proactive and dynamic water services regulator”.

Mission

To provide a regulatory environment that facilitates efficiency, effectiveness and equity in the provision of water services in line with the human right to water and sanitation.

Strategic Objectives

The Boards five objectives are as follows: -

- a. Enhance consumer and other stakeholders’ confidence in water services regulation
- b. Strengthen governance in water services provision,
- c. Ensure a financially sustainable and socially responsive water services sector.
- d. Enhance compliance with regulations.
- e. Strengthen institutional capacity.

(c) Key Management

The Board/s day-to-day management is under the following organs:

- Board of Directors
- Chief Executive Officer
- Management
- Staff

KEY ENTITY INFORMATION AND MANAGEMENT(CONTINUED)

(d) Fiduciary Management

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

| | | |
|----|---|--------------------------|
| 1. | Ag. Chief Executive Officer (End on 30 th August 2024) | Dr. Julius Kirimi Itunga |
| 2. | Ag. Chief Executive Officer (from 01 September 2024) | Richard K. Cheruiyot |
| 3. | Ag. Director Corporate Services | Angela W. Kimani |
| 4. | Director Licensing, Standards and Advocacy | Eng. James Kigutu |
| 5. | Director Monitoring and Enforcement | Richard K. Cheruiyot |
| 6. | Manager Finance and Accounting | David Leleito Kibai |
| 7. | Manager Supply Chain Management | Joyce Moturi |

(e) Fiduciary Oversight Arrangements

The board has set up the following committees which meet under well-defined terms of reference set by the board. This is intended to facilitate efficient decision making of the board in discharging its duties and responsibilities.

(i) Corporate Services Committee

This Committee deals with strategic, financial, employment and administrative issues. Its responsibilities include; Performance contract negotiation; Reviewing of Annual Accounts; Reviewing Development and Recurrent Budgets; Recommendation of Board's Strategic Document, monitoring all human resources matters and monitoring the financial management of the corporation and matters of WASREB information, communication and media system and plans.

(ii) Technical Services Committee

There is a Technical Services Committee whose responsibilities include; Overseeing development and enforcement of regulations and laws; Approval of tariffs; Reviewing of water service standards and ensuring compliance; Approval of Service Provision

KEY ENTITY INFORMATION AND MANAGEMENT(CONTINUED)

Agreements; Recommending issuance of licenses to water service boards and making recommendations as regard setting and determination of fees, levies, premiums and other charges to be imposed for water services.

(iii) Audit and Risk Management Committee

As per the requirements of the Public Finance Management Act 2012, there is the audit and risk management committee. Its responsibilities include; examining and assessing the effectiveness of the internal control system; approving the Internal Audit programs; carry out special audits, verifying Boards assets and liabilities and receiving reports from the Internal Auditor and to adopt a pro- active risk-based approach in the internal audit system.

(f) WASREB Headquarters

P.O. Box 41621 - 00100
NHIF Building
Ngong Road
Nairobi, KENYA

(g) WASREB Contacts

TEL: +254 (0) 0202733561
Email: info@wasreb.go.ke
Website: www.wasreb.go.ke

(h) WASREB Bankers

1. National Bank of Kenya
Hill Branch
P.O. Box 45219-00100
NAIROBI, KENYA
2. Kenya Commercial Bank
Capital Hill-4025
P.O. Box 69695-00400
NAIROBI, KENYA
3. Co-operative Bank of Kenya
Upper hill Branch, Kuscco Centre
P.O. Box 30415-00100
NAIROBI, KENYA




(i) Independent Auditors





The Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA.

(j) Principal Legal Advisor

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

2. THE BOARD OF DIRECTORS

| | | |
|-----------|---|--|
| <p>1.</p> |  <p>Mr. Job Chirchir Chairman</p> | <p>Job Chirchir is an independent director appointed on 13th October 2023 to WASREB Board. He is human resource management professional and has worked in various institutions as a board member, most recently as a board chairman at Kenya Forest Services. He is serving the board of Water Services Regulatory Board on a three-year term.</p> |
| <p>2.</p> |  <p>Eng. Fidelis Kyengo Alternate Member PS Ministry of Water, Sanitation and Irrigation</p> | <p>Eng. Fidelis Kyengo is a Director of Sanitation Management in Ministry of Water, Sanitation and Irrigation. He was appointed to WASREB Board as an alternate, PS Ministry of Water, Sanitation and Irrigation. He holds Bachelor of Science in Engineering. He has held senior positions in the Ministry and has been Project Coordinator/Programme Manager for the major Development Partners.</p> |
| <p>3.</p> |  <p>Mr. Anthony Mwirigi Alternate Member PS, The National Treasury</p> | <p>Anthony Murigi was appointed to WASREB Board as an alternate CS, The National Treasury. He holds a Bachelor of Science in Agribusiness Management and Trade and Master of Science - Agricultural and Applied Economics. He has over 5 years' experience in Economics, Public Policy, Commercial Affairs and Financial Management.</p> |

| | | |
|----|--|--|
| 4. |  <p>Ms. Irene Cheruiyot</p> | <p>Irene Cheruiyot is a Procurement specialist. She was appointed to WASREB Board. She holds a Bachelor of Business Administration (Procurement option). She has been an elected member of Nakuru County Assembly for 10 years and having sat in different county assembly committees.</p> |
| 5. |  <p>Rev.(Dr.) Stephen Kanyaru</p> | <p>Rev. (Dr.) Stephen Kanyaru is an ordained Minister of the Methodist Church. He was appointed to WASREB Board on He holds a Doctorate in Ministry, Masters in Theological Studies and Bachelor of Divinity. He has 17 years hands on Church Leadership and Management and 39 years on Christian living, Pastoral Ministry, Education, Governance, Prayer, Health and Wholeness</p> |
| 6. |  <p>Mr. Peter Ndunda Mutisya</p> | <p>Mr. Peter Ndunda Mutisya is a Managing Director in Agriculture sector. He was appointed to WASREB Board. He holds a Bachelor of Science in Agriculture and a Master of Science - Crop Production. He has over 30 years' experience in Agro business.</p> |
| 7. |  <p>Mr. Arnold W. Wasilwa</p> | <p>Arnold Wamalwa Wasilwa is a Technical Audit Engineer in Energy Sector. He was appointed as WASREB Board member on. He holds a Bachelor of Science in Electrical and Electronics Engineering. He has over 7 years in design, construction of medium and low voltage power networks, sub-stations,</p> |

Water Services Regulatory Board (WASREB) CAR LOAN AND MORTGAGE FUND

For the year ended 30 June 2024.

| | | |
|--|--|--|
| | | metering, electrical installations internal audit risk and energy audit. |
|--|--|--|

3. MANAGEMENT TEAM

Water Services Regulatory Board re-organized its Organization Structure effective 1st June 2020 as follows:


To effectively carry out its functions and fulfil its strategic objectives and mandate, WASREB is structured into three (3) Directorates and five (5) Departments reporting directly to the CEO as shown below:



DIRECTORATES

1. Licensing, Standards and Advocacy
2. Monitoring and Enforcement
3. Corporate Services

DEPARTMENTS

1. Corporation Secretary & Legal Services
2. Corporate Communication
3. Research, Planning and Quality Assurance
4. Supply Chain Management
5. Internal Audit

| Reference | Management | Details |
|-----------|--|---|
| 1. |  <p>Richard K. Cheruiyot</p> | <p>Richard Cheruiyot is the Ag.Chief Executive Officer from 1st September 2024 and Director Monitoring and Enforcement. He holds a Bachelor of Science degree in Analytical Chemistry from the University of Nairobi. He is also a holder of two master’s degrees in environmental chemistry and business administration both from the University of Nairobi.</p> <p>Mr. Cheruiyot has over 23 years’ experience in management of water services both at policy levels, regulation and operations with a bias in regulation, with a specific focus on the development and monitoring of compliance to the regulatory framework. Prior to joining WASREB, he worked with the National Water Conservation and Pipeline Corporation as the Deputy</p> |

| | | |
|----|---|---|
| | | Regional Manager in charge of Technical Services in the Western Region. |
| 2. |  <p>Eng. James Kigutu</p> | <p>Eng. James Kigutu is the Director Licensing, Standards, Advocacy and Public Education. He holds a BSc. Civil Engineering from the University of Nairobi; MSc. Water Resources Engineering and Management from University of Stuttgart, Germany; and Master of Business Administration (MBA) from United States International University-Africa. He is a Professional Engineer with Engineers Board of Kenya (EBK) and Corporate Member of the Institution of Engineers of Kenya (IEK).</p> |
| 3. |  <p>David Leleito Kibai</p> | <p>David Leleito is the Manager Finance & Accounts. He holds a B.Com (Finance) from Catholic University for Eastern Africa and an MBA (strategic management) from University of Nairobi. He is a Certified Public Accountant of Kenya, CPA (K). He has over 22 years' experience in Finance and Accounting. Mr Leleito is a member of the International Water Association (IWA).</p> |

4. CHAIRMAN'S STATEMENT

Chairman of the Board of Directors

It is with great pride that I present the annual financial report for the Water Services Regulatory Board (WASREB) for the financial year 2023/2024. This year has been pivotal for us as we navigated a complex landscape marked by both opportunities and challenges. Our financial performance during the year underscores our commitment to prudent financial management, resource optimization, and strategic growth. Despite the economic pressures and operational challenges, we achieved revenue of Kshs 404,729,300 reflecting our dedication to cost efficiency and effective governance. The financial outcomes reaffirm our ability to maintain stability while expanding our regulatory capacity and enhancing service delivery.

In alignment with our strategic plan, the 2023/2024 financial year saw significant progress in key areas:

- **Regulatory Oversight:** Notably, we enhanced our compliance monitoring mechanisms, ensuring that Water Service Providers (WSPs) adhere to set standards.
 - 40 public consultations meetings for license and tariffs for WSPs were held during the year where stakeholders comprised of County Government, Water Works Development Agencies, Consumers, Business Communities and Religious Groups, while ensuring inclusion of minority groups were held. Licenses issued experienced a 45% increase compared to the previous fiscal year, along with a 40% increase in the gazetted tariffs.
 - Water sector performance report Impact 16 that was launched revealed a positive trend on water coverage with increase from 60% to 62% for piped water systems in the regulated utilities, water quality the national average was 95%, and sanitation coverage at 93%.
- **Partnerships and Collaborations:** Recognizing the importance of collective action, we deepened our engagements by holding regional workshops with utilities and counties, aimed at building capacities of utility Managers and Boards of Directors, as well as county executives on tenets of good governance. This also included Development Partners. These

collaborations have enabled us to scale up capacity-building initiatives, and technical support across the sector.

The water sector continues to face significant challenges, including growing demand, climate variability, and funding constraints. In response, we have focused on strengthening our regulatory capacity, enhancing stakeholder engagement, and driving sector reforms.

I extend my sincere gratitude to our Board members, management team, and dedicated staff for their unwavering commitment and professionalism throughout the year.



MR. JOB CHIRICHIR

CHAIRMAN OF THE BOARD OF DIRECTORS

5. REPORT OF THE CHIEF EXECUTIVE OFFICER



Regulation has pushed utilities to ensure that there is equity and non-discrimination in the provision of services, consumers have the correct information and are well informed on their rights and obligations. Under sector development, the gains have been realized in ring fencing of revenues and thus avoiding capital leakage and drain, enhancing and optimizing financing and increasing transparency. In all these areas great developments have been witnessed. On the current reporting of Impact 15, there also has been a marginal improvement in the hours of water supply, increasing from 16 to 17, improvement in revenue collection efficiency, rising from 94% to 95%, this indicator is crucial for sustainable water service operations. This report is meant to spur comparative competition in the sector, thus creating impetus for the institutions to improve their performance whilst encouraging accountability of stakeholders in the water sector to the public.

On Non-Revenue Water, it has remained at 45%. In financial terms, the sector lost slightly more than KShs. 11.2 Billion annually. The amount lost annually in terms of volume is 205 million cubic meters. In furtherance of these efforts, WASREB in collaboration with Ministry of Water, Sanitation and Irrigation launched Operation Linda Maji, Lipa Maji! to curb water theft making it available to citizen. The aim of the operation is to nab those undertaking criminal activities including illegal water connections and vandalism of water utilities and infrastructure in general.

This operation will continue until all illegal water connections are removed in order to allow genuine and legal connections to thrive and improve revenue generation to water utilities not only in Nairobi but across the entire country.

As we look to the future, our focus continues to be formalization of service provision through licensing of all WSPs. Over 35 utilities have submitted applications for licensing with 24 having been licensed, laying a foundation for better services with serious commitment and responsibility for customer satisfaction and driving the progressive realization of the right to water.

WASREB remains committed to enforcing high performance in the sector which cannot happen without support from all our stakeholders.

A handwritten signature in black ink, appearing to read 'Richard K. Cheruiyot'.

Richard K. Cheruiyot

AG. CHIEF EXECUTIVE OFFICER

6. STATEMENT OF MANAGEMENT'S RESPONSIBILITY.

Section 81 of PFM Act, 2012 requires that, at the end of each financial year WASREB Staff Mortgage and Car Loans Committee shall prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

Staff Mortgage and Car Loans Committee is responsible for the preparation and presentation of the Scheme's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the period. 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 Fund;
- (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) Selecting and applying appropriate accounting policies; and
- (v) Making accounting estimates that are reasonable in the circumstances.

Staff Mortgage and Car Loans Committee accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. Staff Mortgage and Car Loans Committee is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the period ended June 30, 2024, and of the Fund's financial position as at that date. Staff Mortgage and Car Loans Committee further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Staff Mortgage and Car Loans Committee has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Committee to indicate that the Fund 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 Fund's financial statements were approved by the Board and signed on its behalf by:



Richard K. Cheruiyot

AG. CHIEF EXECUTIVE OFFICER

DATE:



CPA DAVID LELEITO

MANAGER FINANCE & ACCOUNTS

ICPAK NO 7983

DATE:



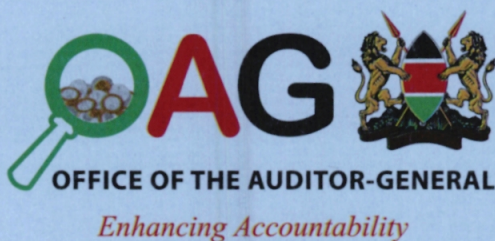
MR. JOB K. CHIRCHIR

CHAIRMAN

DATE:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON WATER SERVICES REGULATORY BOARD CAR LOAN AND MORTGAGE FUND 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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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 are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the

Report of the Auditor-General on Water Services Regulatory Board Car Loan and Mortgage Fund for the year ended 30 June, 2024

Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Water Services Regulatory Board Car Loan and Mortgage Fund set out on pages 1 to 34 which comprise the statement of 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 30 June 2024 and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Water Services Regulatory Board Car Loan and Mortgage Fund 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 the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.70,489,502. However, the balances were not supported by monthly bank reconciliations and cashbooks to confirm the balances. Review of the bank statement indicated that the loan repayments had been credited up to March, 2024. However, the deduction for the months of April, 2024, May, 2024 and June, 2024 amounting to Kshs.2,579,769.00 had not been credited in the bank statement and there was no reconciliation to explain variance.

In the circumstance, the accuracy and completeness of cash and cash equivalents of Kshs.70,489,502 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Water Services Regulatory Board Car Loan and Mortgage Fund. 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 qualified opinion.

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. Except for the matter described in the Basis for Qualified Opinion I have determined that there are no other key audit matters to communicate in my report.

Other Information

In connection with my audit on the Fund 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.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Fund Operating Without an Approved and Gazette Loan Scheme Regulations

During the audit of the Water Services Regulatory Board Car Loan and Mortgage Fund for the period under review 2023-2024, it was noted that the fund was still operating Staff mortgage and Car loan scheme without the existence of approved and gazette loan scheme regulations. This is in contravention of regulatory and governance standards, which require that any staff loan scheme must have formalized, approved, and published regulations to guide its operation. Operating the loan scheme without formal regulations may expose the fund to legal and compliance risks. It also increases the potential for inconsistent application of loan policies, which can result in disputes, lack of accountability, and possible financial mismanagement.

In the circumstances, Management was in breach of the regulations

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 Board of Directors.

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 Fund ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Directors are for overseeing the Fund 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 IFPP 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

Water Services Regulatory Board (WASREB) CAR LOAN AND MORTGAGE FUND

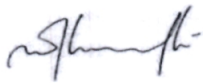
For the year ended 30 June 2024.

8. STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2024.

| | | | |
|---|---|------------------|---------------------|
| Revenue from exchange transactions | | | |
| Interest income | 1 | 2,841,038 | 1,563,064.54 |
| | | | |
| Total revenue | | 2,841,038 | 1,563,064.54 |
| Expenses | | | |
| 3% Commission to the bank | 2 | 2,841,038 | 1,563,064.54 |
| Total expenses | | 2,841,038 | 1,563,064.54 |
| Other gains/losses | | | |
| Surplus/(deficit) before tax | | - | - |
| Taxation | 3 | - | - |
| Surplus/Deficit after Tax | | - | - |

(The notes set out on pages 25 to 34 form an integral part of these Financial Statements).

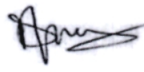
The Fund's financial statements were approved by the Board and signed on its behalf by:



Richard K. Cheruiyot

AG. CHIEF EXECUTIVE OFFICER

DATE:



CPA DAVID LELEITO

MANAGER FINANCE & ACCOUNTS

ICPAK NO 7983

DATE:



MR. JOB K. CHIRCHIR

CHAIRMAN

DATE:

Water Services Regulatory Board (WASREB) CAR LOAN AND MORTGAGE FUND

For the year ended 30 June 2024.

9. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024.

| Assets | | | |
|---|----|--------------------|--------------------|
| Current assets | | | |
| Cash and cash equivalents | 4 | 70,489,502 | 95,058,153 |
| Receivables (April to June) not in bank | | 2,147,274 | - |
| Receivables from exchange transactions | 6 | 9,739,213 | 11,796,190 |
| Total Current Assets | | 82,375,989 | 106,854,343 |
| | | | |
| Non-current assets | | | |
| Receivables from exchange transactions | 6 | 67,623,351 | 43,144,997 |
| Undrawn Funds | 11 | - | - |
| Interest Income Accrued | | - | - |
| Total assets | | 149,999,340 | 149,999,340 |
| Liabilities | | | |
| Current Liabilities | | | |
| Non-Current Liabilities | | | |
| Total liabilities | | | |
| Net assets | | - | - |
| Mortgage and Car loan revolving fund | 7 | 149,999,340 | 149,999,340 |
| Accumulated surplus (<i>Reserves</i>) | | | - |
| Total net assets and liabilities | | 149,999,340 | 149,999,340 |

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

The Fund's financial statements were approved by the Board and signed on its behalf by:



Richard K. Cheruiyot

AG. CHIEF EXECUTIVE OFFICER

DATE:



CPA DAVID LELEITO

MANAGER FINANCE & ACCOUNTS

ICPAK NO 7983

DATE:



MR. JOB K. CHIRCHIR

CHAIRMAN

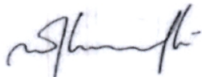
DATE:

Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.

10. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

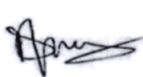
| | |
|-----------------------------------|--------------------|
| Balance as at 30 June 2020 | |
| | 45,099,340 |
| Transfer from WASREB | 54,900,000 |
| Surplus for the period | 0 |
| Balance as at 30 June 2021 | |
| | 99,999,340 |
| Transfer from WASREB | |
| Surplus for the period | |
| Balance as at 30 June 2022 | |
| | 99,999,340 |
| Transfer from WASREB | 50,000,000 |
| Surplus for the period | |
| Balance as at 30 June 2023 | |
| | 149,999,340 |
| Transfer from WASREB | 0 |
| Surplus for the period | 0 |
| Balance as at 30 June 2024 | |
| | 149,999,340 |

The Fund's financial statements were approved by the Board and signed on its behalf by:


Richard K. Cheruiyot

AG. CHIEF EXECUTIVE OFFICER

DATE:


CPA DAVID LELEITO

MANAGER FINANCE & ACCOUNTS
ICPAK NO 7983

DATE:


MR. JOB K. CHIRCHIR

CHAIRMAN

DATE:

Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.

11. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2024

| | 2024 | 2023 |
|---|------------------------|-------------------|
| Cash flows from operating activities | | |
| Receipts | | |
| Transfers from WASREB (Operational Account) | - | 50,000,000 |
| Interest income | - | - |
| Loan Repayments | 8,023,349 | 6,471,357 |
| Total receipts | 8,023,349 | 56,471,357 |
| Payments | | |
| Loans Disbursed | 5 32,592,000 | 18,682,102 |
| Total payments | 32,592,000 | 18,682,102 |
| Net cash flow from operating activities | 12 (24,568,651) | 37,789,255 |
| | | |
| Net increase/(decrease) in cash and cash equivalents | (24,568,651) | 37,789,255 |
| Cash and cash equivalents at 1 July 2023/2022 | 95,058,153 | 57,268,898 |
| Cash and cash equivalents at 30 June 2024/2023 | 4 70,489,502 | 95,058,153 |

The Fund's financial statements were approved by the Board and signed on its behalf by:



Richard K. Cheruiyot

AG. CHIEF EXECUTIVE OFFICER

DATE:



CPA DAVID LELEITO

MANAGER FINANCE & ACCOUNTS

ICPAK NO 7983

DATE:



MR. JOB K. CHIRCHIR

CHAIRMAN

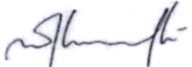
DATE:

Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.

12. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

| | Original Budget | Final Budget | Actual | Performance | % of | |
|---|------------------|--------------|------------------|-------------|-------------|-------|
| | 2024 | 2024 | 2024 | difference | utilization | |
| | Kshs. | Kshs. | Kshs. | Kshs. | | |
| | a | b | c=(a+b) | d | e=(c-d) | f=d/c |
| Revenue | | | | | | |
| Transfers from other Parent Ministry/ SC/SAGA | - | - | - | - | - | |
| Interest income | 2,841,038 | - | 2,841,038 | - | - | |
| Other income | - | - | - | - | - | |
| Total Revenue | 2,841,038 | - | 2,408,543 | - | - | |
| Expenses | | | | | | |
| Employee cost | - | - | - | - | - | |
| Use of goods and services | - | - | - | - | - | |
| Finance cost | 2,841,038 | - | 2,841,038 | - | - | |
| Expenditure | 2,841,038 | - | 2,841,038 | - | - | |
| Surplus for the period | - | - | - | - | - | |
| Capital Expenditure | - | - | - | - | - | |

The Fund's financial statements were approved by the Board and signed on its behalf by:


Richard K. Cheruiyot
 AG. CHIEF EXECUTIVE OFFICER


CPA DAVID LELEITO
 MANAGER FINANCE & ACCOUNTS
 ICPAK NO 7983


MR. JOB K. CHIRCHIR
 CHAIRMAN

DATE:

DATE:

DATE:

13. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

1. Statement of Compliance and Basis of Preparation

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 WASREB'S accounting policies. The areas involving a higher degree of judgment 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 WASREB.

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.

2. 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

| Standard | Effective date and impact: |
|--|---|
| IPSAS 43 | <p><i>Applicable 1st January 2025</i></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> |
| IPSAS 44: Non- Current Assets Held for Sale and | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> |

**Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.**

| | |
|--|---|
| | |
| Discontinued Operations | <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> |
| IPSAS 45- Property Plant and Equipment | <p><i>Applicable 1st January 2025</i></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, 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> |
| IPSAS 46 Measurement | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| IPSAS 47- Revenue | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange</p> |

**Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.**

| | 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. |
|--|---|
| IPSAS 48- Transfer Expenses | <i>Applicable 1st January 2026</i> 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 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. |
| IPSAS 49- Retirement Benefit Plans | <i>Applicable 1st January 2026</i> 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. |

i. Early adoption of standards

WASREB did not early – adopt any new or amended standards in year 2023/2024.

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Fund and can be measured reliably.

ii) Revenue from exchange transactions

Interest income

Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.

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 for each period.

4. Budget information

The original budget for FY 2022/23 was approved on 7th of July 2022. The Fund's budget is prepared on a different basis from 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.

5. Financial instruments

i. Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments; Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Fund determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

ii. Financial liabilities

Loans and borrowing

Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

6. Changes in accounting policies and estimates

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

7. 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.

8. Related parties

The Staff Mortgage and Car Loan Committee 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 Fund, or vice versa. Members of key management are regarded as related parties and comprise the Staff Mortgage and Car Loan Committee members, Board of Directors, CEO and senior managers.

9. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and 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 Kenya commercial banks at the end of the financial year.

10. Events after the reporting period.

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

11. Currency

The financial statements are presented in Kenya Shillings (Kshs.).

12. Financial Risk Management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks. The Fund's overall risk management program focuses on unpredictability of changes in the business environment and

Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.

seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund 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 Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund 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 Fund Administrative Committee. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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 company has recognized in the financial statement is considered adequate to cover any potentially irrecoverable amounts.

b) Liquidity risk

The ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has 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 entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

c) Market risk

The Staff Mortgage and Loans Committee has put in place an internal audit function to assist it in assessing the risk faced by the fund 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 entity's income or the value of its holding of financial instruments. The

Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.

objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Staff Mortgage and Loans Committee.

The Staff Mortgage and Loans Committee is responsible for the development of detailed risk management policies 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 manner in which it manages and measures the risk.

d) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, Staff Mortgage and Loans Committee has endeavored to bank with an institution that offer favorable interest rates.

Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.

14. NOTES TO THE FINANCIAL STATEMENTS

1. Interest income

| Description | 2023/2024 | 2022/2023 |
|--|------------------|---------------------|
| | Kshs. | Kshs. |
| Interest Income from Mortgage Loans (3%) | 2,841,038 | 1,563,064.54 |
| Interest Income from Car Loans (3%) | | - |
| Total Interest Income | 2,841,038 | 1,563,064.54 |

2. Operating expenses

| Description | 2023/2024 | 2022/2023 |
|---------------------------------|------------------|---------------------|
| | Kshs. | Kshs. |
| Bank charges | | - |
| 3% Interest on Mortgage | 2,841,038 | 1,563,064.54 |
| 3% interest on car loan | | - |
| Total Operating Expenses | 2,841,038 | 1,563,064.54 |

3. Taxation

| Description | 2023/2024 | 2022/2023 |
|--------------------------------|-----------|-----------|
| | Kshs. | Kshs. |
| Tax Charged on Interest Income | - | - |
| Income Tax expense | - | - |

4. Cash and cash equivalents

| Description | 2023/2024 | 2022/2023 |
|--|-------------------|-------------------|
| | Kshs. | Kshs. |
| NBK Mortgage Loan Account | 70,489,501 | 95,058,153 |
| Total Cash and Cash equivalents | 70,489,501 | 95,058,153 |

5. Loans disbursed.

| Description | 2023/2024 | 2022/2023 |
|---------------|-------------------|-------------------|
| | Kshs. | Kshs. |
| Loan-Mortgage | 32,592,000 | 18,682,102 |
| Total | 32,592,000 | 18,682,102 |

Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.

6. Receivables from Exchange transactions

| Current Receivables | | |
|--|-------------------|-------------------|
| Mortgage Loan Receivables Due within one year | 9,739,213 | 11,796,190 |
| Loan Receivables Due (April to June) | 2,147,274 | - |
| Land Acquisition Loan Receivables Due | - | - |
| Total Current Receivables | 11,886,487 | 11,796,190 |
| Non- Current Receivables | | |
| Long Term Loan Repayments Due over year | 67,623,351 | 43,144,997 |
| Total Non- Current Receivables | 67,623,351 | 43,144,997 |
| Total Receivables From Staff Car Loan and Mortgage Scheme | 79,509,838 | 54,941,187 |

7. Revolving Fund

| Description | Revolving Fund Kshs |
|-------------------------------------|------------------------|
| Balance as at 30th June 2021 | 99,999,340 |
| Transfer from WASREB | - |
| Net Surplus (Interest earned) | - |
| Balance as at 30th June 2022 | 99,999,340 |
| Transfer from WASREB | 50,000,000 |
| Net Surplus (Interest earned) | - |
| Balance as at 30th June 2023 | 149,999,340 |
| Transfer from WASREB | 0 |
| Net Surplus (Interest earned) | - |
| Balance as at 30th June 2024 | 149,999,340 |

8. Loan Repayments

| Description | 2023/2024 | 2022/2023 |
|--|-------------------|-------------------|
| Loan Receivables 01 st July | 54,941,187 | 42,730,442 |
| Loan Disbursed | 32,592,000 | 18,682,102- |
| Loan Repayments | (8,023,349) | (6,471,357) |
| Loan Receivables 30.06.2024 | 79,509,838 | 54,941,187 |
| | | |

Water Services Regulatory Board (WASREB) Car loan & Mortgage Fund
For the year ended 30 June 2024.

9. Interest income from the bank

The bank does not pay interest but utilizes the interest as service charge for facilitation and processes.

10. Bank Charges.

| | Kshs |
|--|------|
| 30 th June 2024-Car Loan | - |
| 30 th June 2024 -Mortgage Loan | - |
| 30 th June 2024-Land Acquisition Loan | - |
| Total | - |

11. Undrawn Funds.

Undrawn funds remain the balances at the Escrow Bank Account currently Kshs. 70,489,501.92

12. Net cash flows from operating activities

| | | 2023/24 | 2022/23 |
|--|---|---------------------|-------------------|
| | | | Kshs. |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from WASREB (Operational Account) | | - | 50,000,000 |
| Loan Repayments | | 8,023,349 | 6,471,357 |
| Total receipts | | 8,023,349 | 56,471,357 |
| Payments | | | |
| Total Payments | 5 | 32,592,000 | 18,682,102 |
| Net cash flow from operating activities | | (24,568,651) | 37,789,255 |

13. Related party balances

Nature of related party relationships

Entities and other parties related to the Fund 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. The fund/scheme is related to the following entities:

1. WASREB
2. Key management
3. Staff Mortgage and Car Loan Committee.
4. National Bank of Kenya.