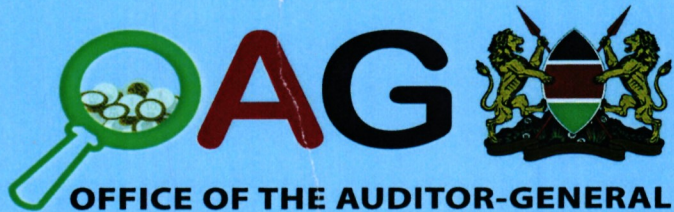



REPUBLIC OF KENYA



*Enhancing Accountability*

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<b>REPORT</b>	DATE: 24 FEB 2021
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**OF**

**THE AUDITOR-GENERAL**

PARLIAMENT  
OF KENYA  
LIBRARY

**ON**

**NORTHERN WATER WORKS  
DEVELOPMENT AGENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2020**





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**NORTHERN WATER WORKS DEVELOPMENT AGENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

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**NORTHERN WATER WORKS DEVELOPMENT AGENCY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**  
**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Northern Water Works Development Agency was earlier established as Northern Water Services Boards through a Kenya Gazette Notice No. 1716 dated 12<sup>th</sup> March 2004 as a State Corporation under the State Corporations Act and the Water Act 2002. The water Act 2016 was enacted and the Northern Water Services Board, was gazetted as Northern Water Works Development Agency vide special issue of Kenya Gazette No. 28 dated 26<sup>th</sup> April 2019.

Northern Water Works Development Agency (NWWDA) covers an **area of 244,860 Km<sup>2</sup>** (about **43% of Kenya**) with a population of **3.4 million** people and approximately 70% of livestock population in Kenya. It covers almost all the Arid and Semi-arid districts in Northern Kenya. The Agency area presently comprises of 7no. Counties namely: -Garissa, wajir, Mandera, Isiolo, Laikipia, Samburu and Marsabit.

The mandate of the Agency is the efficient and economical provision of water and sanitation services within its area of Jurisdiction. The Agency fully appreciates its responsibilities in meeting its strategic objectives and mandate. In order to meet these objectives, the Agency is striving to ensure it embraces good corporate governance and service delivery so as to have a positive impact in the region.

**Water Services**

The water sources are mainly ground water. There are few water supplies having their sources in rivers namely Garissa, Isiolo, Nanyuki, Nyahururu, Masalani and Marmanet water supply. Surface water collected in pans is also an appreciable source of water. It is used raw and sometimes with filtration from wells beside them. Sewerage Services are only available in Nanyuki, Nyahururu, and Isiolo and partially in Garissa. Other towns have on-site sanitation system.

The cost of maintaining water services is quite high. This is because majority of the water supplies are boreholes and almost all involve pumping.

**Offices**

Northern Water Works Development Agency has its Head office in Garissa town. It is based at the Maji House Building.

**(b) Principal Activities**

The principal activities of the Agency are the provision of water and sanitation services in its area of jurisdiction as per the Water Act 2016.

**(c) Key Management**

The Board's day-to-day management is under the Chief Executive Officer with the assistance of other departmental heads



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**(d) Fiduciary Management**

The key management personnel who held office during the year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

S/No.	Designation	Name
1.	Chief executive Officer	Abdikadir Noor osman, HSC
2.	Technical Services Manager	Eng. Dionisius Njiru shem Nderi
3.	Finance & Administration Manager	CPA. Andrew Rage Eysimkele
4.	Ag. Human Resource Manager	Mrs. Arfon Osman

**(e) Fiduciary Oversight Arrangements**

**Board Committees**

The Board of Directors managed to meet twice during the year under review. In order to enhance good corporate governance three board committees were put in place as follows:

1. Finance and Human Resources Committee, chaired by Mr. Suleiman Ali Gufu
2. Technical Committee, chaired by Mr. Molu Huqa Arbale
3. Audit and Risk Committee, chaired by Khadija Abdullahi

The above committees' meetings are guided by the Board Almanac and they meet on quarterly basis and deliberate on issues as defined in their Terms of Reference and make necessary recommendations to the Board on all issues delegated to them.

**Board Meetings**

The Agency has four scheduled meetings per year and meets as necessary to deliberate on specific or urgent matters. In the year ended 30<sup>th</sup> June, 2020 the Board had met four times, two of which were conducted via Video-Teleconferencing in compliance with Government directives and regulations on Corvid-19 pandemic

**(f) Northern Water Works Development Agency Headquarters**

Northern Water Works Development Agency  
Maji House Kismayu Road  
P O Box 495- 70100  
Garissa, Kenya

**(g) Northern Water Works Development Agency Contacts**

Telephone: (254) 046-2103598  
Fax: (254)046-2103197  
E-mail: [northernwsb@yahoo.com](mailto:northernwsb@yahoo.com), [info@nwsb.go.ke](mailto:info@nwsb.go.ke)  
Website: [www.nwsb.go.ke](http://www.nwsb.go.ke)



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**(h) Northern Water Works Development Agency Headquarters Bankers**

Kenya Commercial Bank Limited  
Garissa Branch  
P O Box 143-70100  
Garissa, Kenya

**(i) Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084-00100  
Nairobi, Kenya




**(j) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112-00200  
Nairobi, Kenya



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**




**II. THE BOARD OF DIRECTORS**

<b>Name and key profession/academic qualifications</b>	<b>Responsibility and key qualification</b>
 <p align="center">Shaban Ali Isaack</p>	<p>Hon. Shaaban Ali Isaack is the current Chairman of the Board who has a lot of experience dealing with community leadership in the arid region of North - Eastern part of Kenya. He has also been involved in community mobilization for development projects in the vast Northern region which has impacted positively in project ownership and sustainability. He started his working life as a water officer in Garissa after graduating from KEWI with a diploma in water engineering. He later joined politics and had served as Mandera East MP from 1992 to 2007, culminating in his appointment as Assistant Minister for Local Government from 2002 to 2007. He has also served as MP for Lafey Constituency in Mandera county from 2013 to 2017. He holds a Bachelor of Arts International Relations from United States International University and a diploma in water engineering from KEWI</p>
 <p align="center">Mr. Suleiman Ali Gufu</p>	<p>Mr. Suleiman Ali Gufu is a board member. He is also the current chair of finance and human resource committee. He has over 5 years' experience in accounting, finance and management in both private and public sector. He is a young vibrant, focused and result oriented person. He has a bachelor of Economics and statistics from University of Nairobi. He is currently pursuing an MBA Finance from Kenyatta University. He has also attained CPA Part 1 qualifications</p>
 <p align="center">Mr. Molu Huga Arbale</p>	<p>Mr. Molu Huga Arbale is a board member. He is also the current chair technical committee. He has a wealth of experience Public sector having worked with the government for over 28 years. He has started his career as a divisional agricultural extension officer and later grown in the ranks and became district soil and conservation officer. He also worked with KTDA as a production Manager and NEMA as a Senior Process Engineer. He has also worked with the County Government of Marsabit as County Chief Officer for Public Works Roads and Transport for two years and then moved in the same capacity to the Department of Water, Environment and Natural Resources. He is a registered and licensed lead expert with National Environment Management Authority (NEMA) and serves as a consultant as a lead Environmental expert. He holds Bachelor of Science in Agricultural Engineering and a Diploma in Agricultural Engineering both from JKUAT. Currently is pursuing MSc. In Occupational Safety and Health from JKUAT.</p>



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**THE BOARD OF DIRECTORS (Continued)**

 <p align="center">Khadija Abdulahi</p>	<p>Khadija Abdullahi is a board member. She is also the current chair of audit and risk committee. She started her career at office of the president provincial Head Quarters Garissa personnel division before joining Barclays bank Garissa branch then moved to machakos branch, hurlingham branch, card operations, project management, card fraud, international payments and recently managed financial hub in IT and operations.</p> <p>She has over 20 years' experience in the banking sector in managing corporate and consumer banking operations both in retail business banking and back office, experience spans over projects, process, governance, risk controls management and delivery. She is also very passionate about women and community empowerment. She holds a Bachelor of Business Management (HRM) and Diploma Human Resource Management both from Mount Kenya University</p>
 <p align="center">Mrs. Rafaella Lentoimanga</p>	<p>Mrs. Rafaella Lentoimanga is board member. She is also a current member of finance and human resource committee. She has a wealth of experience in community mobilization and development having worked with Non Governmental Organizations in samburu county. She is also involve in community work and preaching peaceful co-existence of communities in Samburu North. She has a Bachelor of Arts from University of Nairobi and a Diploma in social work and social development from University of Nairobi.</p>
 <p align="center">Mr. Abdulkadir Hashi Hussein</p>	<p>Mr. Abdulkadir Hashi Hussein is board member. He is also a member of audit and risk committee. He is a high-level event organizer and has a vast experience in the entertainment field for the past 30 years. He has also gained wealth of experience in management working with DHL in Slovakia.</p>



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**THE BOARD OF DIRECTORS (Continued)**

 <p>Mr. Osman H. Mohammed</p>	<p>Mr. Osman H. Mohamed is a Representative of State corporation Advisory Committee in the Board. He has a wide experience in the field of Finance and Auditing. He has grown through various positions in the civil service where he has gained over 28 years of professional experience. He holds a Bachelors of Commerce and is a CPA (K) holder. He is also a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK)</p>
 <p>Mr. Wilfred Amwata</p>	<p>Mr. Wilfred Amwata is the Principal Secretary Ministry of Water &amp; Sanitation’s representative to the Agency. He has over 10 years’ experience working in the Ministry of Water Sanitation. He is also a key person in budget making in the ministry since he is involved in all budget cycle He holds Bachelor of Science degree in Civil Engineering from the University of Nairobi. He has also attended several courses, seminars, workshops and training.</p>
 <p>Abdikadir N. Osman Bcom, MBA Strategic Management</p>	<p>Mr. Abdikadir Noor Osman is the Chief executive officer. Mr. Osman has over 20 years in Financial management and organizational development. He has worked in blue chip companies such as Standard Chartered bank, Nation Media Group and Kenya Institute of management before joining the Water Sector in 2005. He joined the Agency as Finance &amp; Administration Manager before his appointment as the Chief executive officer in 2013. He holds Bachelors of Commerce and masters of Business Administration from the University of Nairobi and USIU –Africa respectively. He also holds post-graduate diploma in project management from Kenya Institute of management and CPA qualifications. He has also attended several courses, workshops, seminars and trainings both locally and internationally.</p>



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**III. MANAGEMENT TEAM**

DETAILS	AREA OF RESPONSIBILITY
 <p>Abdikadir N. Osman Bcom, MBA Strategic Management</p>	<p>Mr. Abdikadir Noor Osman is the Chief executive officer. Mr. Osman has over 20 years in Financial management and organizational development. He has worked in blue chip companies such as Standard Chartered bank, Nation Media Group and Kenya Institute of management before joining the Water Sector in 2005. He joined the Agency as Finance &amp; Administration Manager before his appointment as the Chief executive officer in 2013.</p> <p>He holds Bachelors of Commerce and masters of Business Administration from the University of Nairobi and USIU –Africa respectively. He also holds post-graduate diploma in project management from Kenya Institute of management and CPA qualifications. He has also attended several courses, workshops, seminars and trainings both locally and internationally.</p>
 <p>Eng. Dionisius N. Shem Nderi Bsc. Civil Engineering MIEK, R.Eng.</p>	<p>Eng. Dionisius Njiru Nderi has over 30 years’ experience in the Water Sector. He is currently the Technical Services Manager of Northern Water Works Development Agency overseeing the Technical Services namely: Planning and Design, Implementation of Water and Sewerage Developments and emergency Coordination.</p> <p>He holds Bachelor of Science Degree in Civil Engineering from University of Nairobi. He is a registered with Engineers Board of Kenya and a Corporate member of the Institution of Engineers of Kenya. He has previously served as a Project Manager, District Water Engineer and Provincial Development Engineer in various parts of the country.</p> <p>He has attended various courses, seminars, workshops and training locally and internationally. He has participated in development of various policy and project documents.</p>
 <p>CPA Andrew Rage Eysimkele MBA, BBM, CPA(K), CIFA</p>	<p>CPA Andrew Rage has over 13 years’ experience in public sector, in the fields of Finance, Accounting, Auditing and Management. He is currently the institution’s Finance &amp; Administration Manager. He has previously served as an Internal Auditor and later Management Accountant. Before joining the Agency, he has worked with the National Treasury for over 5 years as an Accountant and prior to that as a Postal Officer with Postal Corporation of Kenya. He holds a Bachelor of Business Management, Finance and Banking option from Karatina University and MBA Finance from Kenyatta University. He is a CPA (K) holder and a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK). He is also a graduate of Certified Investment and Financial Analyst (CIFA). He has also attended several courses, workshops, seminars and trainings.</p>



## NORTHERN WATER WORKS DEVELOPMENT AGENCY

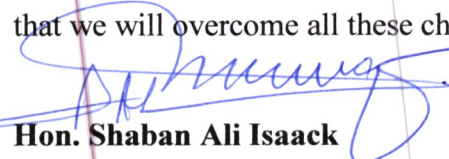
### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

#### IV. CHAIRMAN'S STATEMENT

I am glad to present this Annual Report and Financial Statements of Northern Water Works Development Agency (NWWDA) for the year ended 30<sup>th</sup> June 2020. On behalf of the Board of Directors, I wish to take this opportunity to acknowledge the efforts shown by the entire Northern Water Works Development Agency's staff in ensuring that our mandate of providing water and sanitation services within our area of jurisdiction is attained. During the year, the Agency progressed well in implementation of development projects like Garissa Sewerage projects which has been completed successfully and Yamo Dam has also progressed well despite funding challenges, which is currently at 40% completion. We are also ongoing with the implementation of a number of water pans and boreholes under water for schools' programs and National water harvesting projects across the Agency's region.

As an Agency we are fully aware of the big 4 Agenda and since water is a key enabler in the big 4 Agenda, we are fully committed by aligning our projects towards its attainment. In carrying out our duties, we intend to put all our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030 and the "Big Four" initiative, keeping in mind the specific priorities of the Northern Water Works Development Agency. We are also fully aware of the current CORVID-19 pandemic which is a global problem and as an agency, we know that this is a war that we all must fight together to win and we fully participate in stopping the spread of the disease by providing hand washing 100lts tanks, providing water tanks to communities and observing and following all the government directives at this unprecedented times

I also appreciate the Ministry of Water, Sanitation and Irrigation, The National Treasury and Planning, Development partners, Regulatory authorities and all other stakeholders for their guidance, continued support and co-operation. Let me say thank you once more to, all members of staff, my fellow board of directors, and all other stakeholders whom I have not mentioned. It is my sincere belief and hope that we will overcome all these challenges.

  
**Hon. Shaban Ali Isaack**  
**Chairman**

Date 29/9/2020



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**V. PORT OF THE CHIEF EXECUTIVE OFFICER**

**Statement of the Chief Executive Officer**

During the year, the Agency carried out its mandate of infrastructural development quite well. We have completed water harvesting projects across our region of coverage and the communities are benefiting from it. As an Agency, we are also keen on the value for money for all the projects that we implement. This is by ensuring that projects are cost effective and meets the community needs. The Agency has also experienced delays in exchequer releases; we have not received the fourth quarter allocation.

The agency covers a region which water is a scarce commodity and in our delivery of this vital commodity we are faced with a number of challenges; the cost of water production is very high, as pumping constitutes a major component, because of the vast region and limited water infrastructure, water sources are generally far apart hence long walking distances. To correct this and make water available to the people, heavy investments are required to put up new infrastructure as many areas are not adequately served.

Despite all that, the Agency made remarkable improvement in project implementation. We ensured that most projects were completed in time and a good number of ongoing ones are at remarkable progress.

**Water and Sanitation Facilities Developments**

During the year, the Agency completed Garissa sewerage and continued implementation of infrastructural projects like Yamo Dam, Forolle mega pan, water for schools, national water harvesting projects and cross county water projects. The contracted works for these facilities shall be a major boost as far as water harvesting is concerned, which up to 30<sup>th</sup> June, 2020 shall impound a total of 772,000m<sup>3</sup> thus creating additional water storage in our region. The approximated overall status of completed projects is approximately 75%. The projects were funded directly from the ministry through annual grants for rural, urban and sanitation facilities.

**Donor Projects**

The board had several donor projects which are at different levels of implementation. These are as listed below:



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**A) BADEA/OPEC PROGRAM**

**1. Garissa Sewerage Project**

The Garissa sewerage project is expected to serve a population of over 120,000 persons within Garissa and its environs. The phase I project commenced in June 2009 and is 100% complete. The phase II of the project which involves extension of sewer lines, secondary lines and property connections commenced from 25% to 50% in 2017. Once complete the project is expected to improve the sanitation coverage of Garissa town from 20% to 40%. The project is currently 100% complete

The following has been undertaken: -

- i) Constructed waste stabilizations ponds of capacity 5,500m<sup>3</sup> per day
- ii) 14km trunk mains completed.
- iii) 25Km Secondary lines connecting completed.
- iv) Constructed 600Manholes completed
- v) Force main tested and treatment works operationalized
- vi) Consumers/households have been connected to the new system. This includes a number of public institutions such as Garissa University. The entities sewer is flowing to the new treatment works
- vii) Constructed Flood protection of 1.2 km around the sewerage ponds making 100% complete
- viii) Constructed 20Km of sewer line 300-900mm concrete pipeline.

**B) AFRICAN DEVELOPMENT BANK (ADB)**

During the year, African Development Bank funded 6 projects in our region through a joint implementation arrangement of NWWDA and Tana Water Works Development Agency. The arrangement is that the finances and reporting are administered at Tana Water Works Development Agency and supervised and monitored by NWWDA



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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The following are the projects funded by African Development Bank

**1. Construction of Marsabit Water and sewerage projects**

Marsabit water and sanitation project objective is to increase water and sanitation coverage in Marsabit town from 20% to 40% and 0% to 60% respectively. The overall project completion rate is currently at 27%

The following has been undertaken: -

- i) Land compensation is ongoing with valuation being undertaken by the National Land Commission
- ii) Construction of dam is at 15%
- iii) Construction of water treatment works is at 15%
- iv) Construction of storage tanks is at 15%
- v) Laying of 5km water pipeline is at 15%
- vi) Construction of wastewater stabilization ponds is at 20%
- vii) Laying of 5km sewer pipeline is at 10%

**2. Construction of Mandera Water and Sanitation Project**

Mandera water and sanitation project objective is to increase water and sanitation coverage in Mandera town from 15% to 70% and 0% to 60% respectively. The project will serve a population of 50,000 people. The overall project completion rate is currently at 20%

The following has been undertaken: -

- i) Land compensation is ongoing with valuation being undertaken by the National Land Commission
  - ii) Construction of Intake works and Infiltration Wells is at 15%
  - iii) Construction of treatment works is at 15%
  - iv) Construction of storage tanks is at 10%
  - v) Laying of 5km water pipeline is at 15%
- vi) Construction of wastewater stabilization ponds is at 15%
- vii) Laying of 5km sewer pipeline is at 7%



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**Last mile connectivity Projects**

The objective of the project is to increase water and sanitation services in Garissa and Isiolo towns.

The following has been undertaken for Isiolo town: -

- i) Laying of 9.4Km of water pipeline of 110mm done (25%)
- ii) Laying of 2.2 km sewer line. (25%)

The following has been undertaken for Garissa town: -

- i) 2 No boreholes Rehabilitated & equipped and 5no drilled (10%)
- ii) 20% Completion 1000m<sup>3</sup> RC storage tank (10%)
- iii) Construction 1No 300m<sup>3</sup> elevated tanks (10%)
- iv) Rehabilitation of pumping equipment complete (5%)

**2. Government of Kenya funded projects**

The board is undertaking various projects in rural and urban areas through funding from the GOK in different counties. This is both storage infrastructure and pipeline

**1. Construction of Yamo Dam**

- a) Grouting of dam reservoir 100% completed.
- b) Construction of Dam embankment is at 41%
- c) Construction of Dam concrete works - structure tower, Calvert diversion, spill way, construction power house is at 60%
- d) Construction of Road works is at 100%
- e) Resident engineer's office 100% completed.

Overall, the project is at 41% complete

**2. Desilting of LchoroLerai Dam**

- a) 4.8km rising main has been laid 100% completed
- b) Desliting of the dam 100% completed.
- c) Rehabilitation of CFU, pump house, office block and staff houses is at 80%
- d) 56m raw water pipe line laid making 100%.
- e) Construction of infiltration gallery and repair of dam embankment 80% completed.

Overall, the project is at 80 % complete

**C3. Ijara Gababa Water Project**

- 50% of the pipe line to kafafa area completed

**C4. Tigithi water supply**

- 100% of pipeline completed

**C5. Construction of 3No. of 225 m3 storage tank**

- 100% of the 3No of 225m3 storage tanks has been completed



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**C6. Sericho water supply**

- 15% of pipeline & civil works completed, the delay is due to funding issues.

**C7. Water Pans (100%)**

As at the end of the FY 2019/20 the agency has completed the following water pans: -

**WATER PROJECTS**

No.	Project	Scope/Activity	Target Population	Capacity m <sup>3</sup>	Completion %
1	Odha water pan	Excavation of pan, silt trap, inlet channel and civil works	1,800	20,000	100
2	Golbomachu pan project relocated to El-beso	Excavation of pan, silt trap, inlet channel and civil works	350	20,000	100
3	Matakwani dam	Construction of dam wall, spillway and diversion channel	600	20,000	100
4	LuqunGoria pan	Excavation for dam & silt trap, Spillway, inlet channel, water point, livestock troughs, fencing	600	40,000	100
5	Abdi luge pan	Construction of 120,000m <sup>3</sup> dam, spillway and diversion channel	700	120,000	100
6	Toricha pan	Construction of 25,000m <sup>3</sup> dam, spillway and diversion channel	500	25,000	100
7	Kalesa pan	Construction of 25,000m <sup>3</sup> dam, spillway and diversion channel	450	25,000	100



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**C8. L Musigiyoi Village Borehole**

The project is 100% complete and operational a waiting handing over to the community

**C9. LchoLeleleraituNkulotoelodo**

The project is 100% complete and operational awaiting handing over to the community

**C10. Water for Schools Programme**

As at the end of the FY 2019/20 the agency has completed the following water Boreholes: -

No	County	Constituency	Project	Yield m3/hr	Target Population	Completion %
1.	Wajir	Eldas	Eldas Primary School	8.3	500	100
2.	Wajir	Wajir South	Lag-diima Primary school	10.5	600	100
3.	Wajir		Wajir Girls	3.6	500	100
4.	Isiolo	Isiolo South	Gafrasa Primary School	dry	400	100
5.	Samburu	Samburu North	Seren Primary School	dry	3,000	100
6.	Isiolo	Isiolo North	Tumaini Primary School	39	1,800	100
7.	Marsabit	Moyale	Sololo Primary School	3.6	1,801	100
8.	Marsabit	Moyale	Odha Primary School	4.5	1,802	100
9.	Mandera	Mandera West	Githeri Primary School	6.8	1,803	100
10.	Mandera	Mandera South	Darweid Primary School	Dry	1,804	100
11.	Garissa	Laagdera	Barkuke	dry	1,805	100
<b>Average completion</b>						<b>100</b>

**C11. Project Completion Rate**

The Project Completion Rate was 89% by the end of the the year.

	Target	Actual	% completion
C1	Garissa Sewerage Completed	100	100
C2	Dams Constructed	60	55
C3	IjaraGababa Water Project	50	25
C4	Tigithi Water Supply	100	100
C5	Construction of 225m <sup>3</sup> storage tanks	3	3
C6	Sericho Water Project	40	15
C7	Water Pans Construction	100	100
C8	L Musigiyoi Village Borehole	100	100
C9	LchoLeleleraituNkulotoelodo borehole	100	100
C10	Water for school projects completed	100	100
C11	Strategic Plan Developed	100	100
<b>C12</b>	<b>Project Completion Rate</b>		<b>89</b>



**NORTHERN WATER WORKS DEVELOPMENT AGENCY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

1. Future outlook

As indicated in the financial statements for the year 2019/2020, the Agency's performance slightly improved from a deficit of Kshs. (37,750,374) to a deficit of Kshs. (3,887,487) in the 2018/2019 F/Y and 2019/2020 F/Y respectively. This improvement is as a result of austerity measures enforced by the agency by reducing travelling costs hence reducing on vehicles operations and maintenance costs and other related costs. The Agency will continue to improve on the future performance through further austerity measures on other costs administrative costs

**Abdikadir Noor Osman, HSC**  
**Chief Executive Officer**

Date ..... 29/9/2020



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

**VI. CORPORATE GOVERNANCE STATEMENT**

The Northern Water Works Development Agency was earlier established as Northern Water Services Boards through a Kenya Gazette Notice No. 1716 dated 12<sup>th</sup> March 2004 as a State Corporation under the State Corporations Act and the Water Act 2002. The water Act 2016 was enacted and the Northern Water Services Board, was gazetted as Northern Water Works Development Agency vide special issue of Kenya Gazette No. 28 dated 26<sup>th</sup> April 2019. The board fully appreciates its responsibilities in meeting its strategic objectives and mandate. In order to meet these objectives, the board is striving to ensure it embraces good corporate governance and this has had positive impact on the board's performance.

**VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

The Board contributed towards the national Tree planting days and the staffs were mobilized and over 300 tree seedlings were planted that day. One officer was also tasked to ensure that the seedlings are watered frequently

In addition to above, the Board has given the necessary support to disadvantaged members of communities in having access to water through pro-poor programmes and also provide support to those affected by floods during the heavy rains.



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

**VIII. REPORT OF THE DIRECTORS**

**Report of the Directors**

The directors submit their report together with the audited financial statements for the year ended 30 June 2020, which disclose the state of affairs of the board.

**Incorporation**

The Northern Water Works Development Agency was earlier established as Northern Water Services Boards through a Kenya Gazette Notice No. 1716 dated 12<sup>th</sup> March 2004 as a State Corporation under the State Corporations Act and the Water Act 2002. The water Act 2016 was enacted and the Northern Water Services Board, was gazetted as Northern Water Works Development Agency vide special issue of Kenya Gazette No. 28 dated 26<sup>th</sup> April 2019. The address of the registered office is as set out on page 1.

**Results**

	<b>2019/2020</b>	<b>2018/2019</b>
	Kshs	Kshs
Deficit before tax	(3,887,487)	(37,750,374)
Income tax	Nil	Nil

**Principal Activities**

The principal activities of the Agency are the provision of water and sanitation services in its area of jurisdiction as per the Water Act 2016.

**Directors**

The directors who held office during the year and to the date of this report are listed on page v to vii

**Auditors**

Being a statutory corporation, the financial statements are being audited by the Auditor General (OAG) under section 35 of the Public Audit Act 2015.

By order of the Board

  
Secretary/Chief Executive Officer  
Abdikadir N. Osman

Date----- 29/9/2020 -----



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

**IX. STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of Northern water Works Development Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year and the operating results of Northern water Works Development Agency for that year. The Directors are also required to ensure that management 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 the financial year ending on June 30, 2020. This responsibility includes:

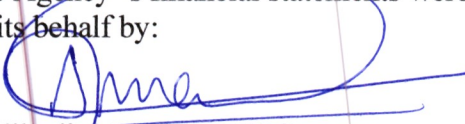
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation 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 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 the Agency's transactions during the financial year ended 30 June 2020, 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.

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 29/9/2020 and signed on its behalf by:

  
Abdikadir N. Osman, HSC  
Chief Executive Officer

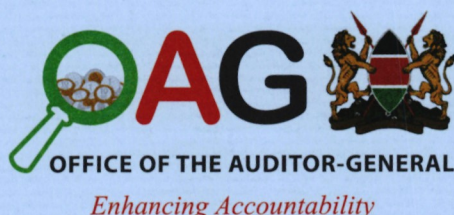
Date 29/9/2020

  
Suleiman Ali Gufu  
Chair, Finance and Human Resource Committee

Date 29/9/2020

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NORTHERN WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2020**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Northern Water Works Development Agency set out on pages 1 to 19, which comprise of the statement of financial position as at 30 June, 2020, statement of financial performance, statement of cash flows, statement of changes in net assets, and the 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Northern Water Works Development Agency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Water Act, 2016 and the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **1. Unbudgeted Payment on Court Award**

Review of records revealed that the Management paid an amount of Kshs.133,720,116 which comprised of an amount of Kshs.85,877,290 for delayed payments and an amount of Kshs.47,842,826 for accrued interest and other court related costs to a contractor for work done and interest on delayed payment for the rehabilitation and augmentation of Garissa Sewerage Project, Lot I. The amount paid to the contractor had not been budgeted for and was therefore re-allocated and not used for the intended purpose. No proper explanation was given why the Agency failed to honor contract obligations that resulted to unfavorable court rulings and why measures were not taken to mitigate the court rulings.

In the circumstances, the accuracy, completeness and validity of expenditure totalling to Kshs.133,720,116 for the year 30 June, 2020 could not be confirmed.

## **2. Unbudgeted Board Expenses**

As disclosed in Notes 9 and 14c to the financial statements, the statement of financial performance reflects board expenses totalling to Kshs.17,454,654. The balance includes an amount of Kshs.13,078,304 from recurrent budget and charged as board expenses (institutional expenditure) and an amount of Kshs.4,376,346 from development budget and charged as board expenses (project cost). The board expenses had an approved allocation totalling to Kshs.12,800,000. However, the Management incurred the expenditure without having an appropriation of the expenditure item in the budget.

In the circumstances, the accuracy, completeness and validity of board expenses totalling to Kshs.17,454,654 for the year ended 30 June, 2020 could not be confirmed.

## **3. Unsupported Drought and Flood Mitigation Expenses**

As disclosed in Note 14 to the financial statements, the statement of financial performance reflects project costs totalling to Kshs.702,350,619. The balance includes procured works for construction of ground and underground level masonry water tanks worth Kshs.13,612,497. It was noted that a provisional sum totalling to Kshs.800,000 was made in the bills of quantities as supervision cost to cover allowance for personnel and other office expenses. However, there was no documented evidence to confirm the utilization of provisional sum was requested and approved by the Evaluation Committee. This is contrary to requirement of Section 139(e) of Public Procurement and Asset Disposal Act, 2015.

Consequently, the probity of the expenditure of Kshs.13,612,497 for the year ended 30 June, 2020 could not be confirmed.

## **4. Unsupported Monitoring and Evaluation Expenses**

The Management made payments amounting to Kshs.3,953,619. The balance includes cash purchases totalling to Kshs.299,000 made on procurement of various items for repair of boreholes, genets and services of pumps. This was contrary to provisions of the Public Procurement and Disposal Regulation, 2006 which limit maximum ceiling of low value procurements of goods and services to an amount of Kshs.30,000 per procurement per item. Further, there was no evidence that Management relied on any price market survey in the procurement of various items.

In addition, the spares and gensets were not recorded in the stores register and there were no issue notes to confirm their usage. The repairs and services were also not recorded in the job card and there was no evidence that the items procured were actually delivered to the site and installed. Also, there was no Inspection and Acceptance Committee report on the repair made or acknowledgment of the same from water users association, no requisition letter or malfunctioning report from community leaders of the affected area requesting for repair works.

In view of the above, the accuracy, completeness and validity of the expenditure on monitoring and evaluation expenses amounting to Kshs.3,953,619 for the year ended 30 June, 2020 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The the statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis totalling to Kshs.1,553,353,001 and Kshs.1,193,883,760 respectively, resulting to an underfunding amounting to Kshs.359,469,241 or 23% of the budget. Review of bank statements for the month of June and July, 2020 revealed that budgeted GOK grants released through transfers from the Ministry of Water, Sanitation and Irrigation were received late between 3 June, 2020 and 8 July, 2020.

Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.1,553,353,001 and Kshs.808,749,220 respectively, resulting to an underperformance amounting to Kshs.744,603,781 or 48% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

#### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury and Planning Circular reference No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else

has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Non-Compliance with the Law on Procurement of Water Works**

Review of records revealed that an investment company was awarded contract for additional pipe fittings for Mwangaza Water Pipe Distribution System at a contract sum of Kshs.1,915,500. However, it was noted that out of the three quotation floated, two suppliers were not among the prequalified contractors. In addition, the inspection and acceptance committee report used during the payment related to the previous work done and no inspection was done for the additional work before payment was made. This is contrary to Section 105 of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the Management was in breach of the law.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and the 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

The Board of Directors is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Agency 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

#### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

02 February, 2022



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

**XI. STATEMENT OF FINANCIAL PERFORMANCE**

<b>Revenue from non-exchange transactions</b>	Notes	<b>209/2020</b>	<b>2018/2019</b>
		<b>Kshs</b>	<b>Kshs</b>
Government Grants	2	105,000,000	82,450,000
Water levies	3	-	-
Accrued Income-in-kind	4	23,140,186	30,853,581
Other incomes	5	394,259	93,000
Project Funds	6	702,350,619	1,766,350,106
<b>Total revenue</b>		<b>830,885,064</b>	<b>1,879,746,687</b>
<b>Expenses</b>			
Employee costs	7	50,677,364	45,408,682
Senior Management costs	8	11,508,185	19,314,850
Board Expenses	9	13,078,304	15,233,235
Depreciation costs	10	25,541,240	33,527,099
Amortization costs	11	453,651	567,063
Operation Costs	12	8,067,768	6,630,994
Administrative Costs	13	23,095,420	30,465,032
Project Costs	14	702,350,619	1,766,350,106
<b>Total expenses</b>		<b>834,772,551</b>	<b>1,917,497,061</b>
<b>Deficit before tax</b>		<b>(3,887,487)</b>	<b>(37,750,374)</b>

The notes set out on pages 1 to 18 form an integral part of these Financial Statements





**NORTHERN WATER WORKS DEVELOPMENT AGENCY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE**  
**2020**

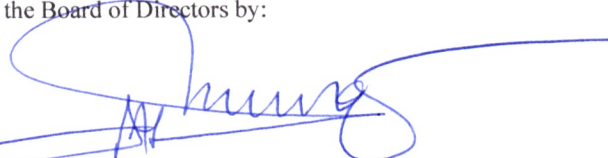
**XII. STATEMENT OF FINANCIAL POSITION**

	Notes	2019/2020 Kshs	2018/2019 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	616,149,438	317,539,928
Receivables from non-exchange transactions	16	23,880,969	23,880,969
<b>Total current assets</b>		<b>640,030,407</b>	<b>341,420,897</b>
<b>Non-current assets</b>			
Property, plant and equipment	17	81,539,918	106,053,184
Intangible assets	18	1,814,603	2,268,254
<b>Total Non-current assets</b>		<b>83,354,521</b>	<b>108,321,438</b>
<b>Total assets</b>		<b>723,384,928</b>	<b>449,742,335</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	19	8,291,901	93,760,517
<b>Total current liabilities</b>		<b>8,291,901</b>	<b>93,760,517</b>
<b>Non-Current liabilities</b>			
Unexpended Project Grants	21	602,103,188	215,964,306
Deferred Income	22	69,420,557	92,560,743
<b>Total non-current liabilities</b>		<b>671,523,745</b>	<b>308,525,049</b>
<b>Total liabilities</b>		<b>679,815,646</b>	<b>402,285,566</b>
<b>Net assets</b>		<b>43,569,282</b>	<b>47,456,769</b>
Revenue Reserves		12,813,320	16,700,807
Capital Fund		30,755,962	30,755,962
<b>Total net assets/Equity</b>		<b>43,569,282</b>	<b>47,456,769</b>

The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

  
Abdikadir N. Osman, HSC  
Chief Executive Officer.

  
CPA Andrew Rage Eysimkele  
FAM

  
Hon. Shaban Ali Isaack  
Chairman

Date 29/9/2020

Date 29/9/2020

Date 29/9/2020



**NORTHERN WATER WORKS DEVELOPMENT AGENCY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE**  
**2020**

**XIII. STATEMENT OF CHANGES IN NET ASSETS**

	<b>Capital Fund Kshs</b>	<b>Revenue Reserves Kshs</b>	<b>Total Kshs</b>
<b>Balance as at 30 JUNE 2018</b>	<b>30,755,962</b>	<b>54,451,181</b>	<b>85,207,143</b>
Surplus for the period	-	(37,750,374)	(37,750,374)
Transfers to/from accumulated surplus	-	-	-
<b>Balance as at 30 JUNE 2019</b>	<b>30,755,962</b>	<b>16,700,807</b>	<b>47,456,769</b>
Deficit for the period	-	(3,887,487)	(3,887,487)
Transfers to/from accumulated surplus	-	-	-
<b>Balance as at 30 JUNE 2020</b>	<b>30,755,962</b>	<b>12,813,320</b>	<b>43,569,282</b>



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE  
2020**

**XIV. STATEMENT OF CASH FLOWS**

<b>Cash flows from operating activities</b>	Notes	<b>2019/2020 Kshs</b>	<b>2018/2019 Kshs</b>
<b>Receipts</b>			
Deficit before tax		(3,887,487)	(37,750,374)
<b>Non –Cash movements</b>			
Depreciation	10	25,541,240	33,527,099
Amortization	11	453,651	567,063
Asset Disposal		-	-
<b>Cash flow from operating activities</b>		<b>22,107,404</b>	<b>(3,656,212)</b>
Decrease / (increase) in trade & other receivables	16	-	-
Decrease / (increase) in prepayments & deposits		-	-
Increase / (decrease) in trade & other payables	19	(85,468,615)	85,532,263
<b>Net working capital changes</b>		<b>(85,468,615)</b>	<b>85,532,263</b>
<b>Net cash from operating activities</b>		<b>(63,361,211)</b>	<b>81,876,051</b>
<b>Cash flow from investing activities</b>			
Purchase of Property, Plant & Equipment		(1,027,975)	(926,088)
Purchase of Intangible Asset		-	-
		<b>(1,027,975)</b>	<b>(926,088)</b>
<b>Cash flow from financing activities</b>			
Increase / (decrease) in deferred income	22	(23,140,186)	(30,853,581)
Increase / (decrease) in unexpended grants	21	386,138,882	(466,353,974)
Net increase/(decrease) in cash & cash equivalent		<b>298,609,510</b>	<b>(416,257,592)</b>
Cash and cash equivalents as at 1 July 2019	15	317,539,928	733,797,520
<b>Net Cash and cash equivalents as at 30 June 2020</b>	15	<b>616,149,438</b>	<b>317,539,928</b>



**NORTHERN WATER WORKS DEVELOPMENT AGENCY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE**  
**2020**

**XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

<b>Income</b>	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>
	<b>2019/2020 Kshs</b>	<b>2019/2020 Kshs</b>	<b>2019/2020 Kshs</b>	<b>2019/2020 Kshs</b>	<b>2019/2020 Kshs</b>
Water Levies	-	-	-	-	-
Other Incomes	-	-	-	394,259	394,259
Government Grants	105,000,000	-	105,000,000	105,000,000	-
Accrued Income –in-Kind					-
Kenya Italy Development Projects (KIDP)					-
Equalization Funds	66,353,001	-	66,353,001	66,353,001	-
GOK Funds	327,000,000	1,055,000,000	1,382,000,000	1,022,136,500	359,863,500
<b>Total income</b>	<b>498,353,001</b>	<b>1,055,000,000</b>	<b>1,553,353,001</b>	<b>1,193,883,760</b>	<b>360,257,759</b>



**NORTHERN WATER WORKS DEVELOPMENT AGENCY  
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**XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

<b>Expenses</b>	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>
	<b>2019/2020 Kshs.</b>	<b>2019/2020 Kshs.</b>	<b>2019/2020 Kshs.</b>	<b>2019/2020 Kshs.</b>	<b>2019/2020 Kshs.</b>
Employee Costs	52,349,000	(2,149,000)	50,200,000	50,677,364	(477,364)
Senior Management Costs	15,000,000	(3,500,000)	11,500,000	11,508,185	(8,185)
Board Expenses	11,404,000	1,396,000	12,800,000	13,078,304	(278,304)
Depreciation Costs	-	-	-	-	-
Amortization Costs	-	-	-	-	-
Operation Costs	7,930,000	-	7,930,000	8,039,928	(109,928)
Administrative Costs	18,317,000	4,253,000	22,570,000	23,095,420	(525,420)
Project Costs	609,317,307	839,035,694	1,448,353,001	702,350,619	746,002,382
<b>Total expenditure</b>	<b>714,317,307</b>	<b>839,035,694</b>	<b>1,553,353,001</b>	<b>808,749,820</b>	<b>744,603,181</b>
<b>Surplus for the period</b>					

**Note:**

The difference is attributed to delay in disbursement of Project funds by the National treasury



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**XVI. NOTES TO THE ACCOUNTS:**

**1. General Information**

The Northern Water Works Development Agency was earlier established as Northern Water Services Boards through a Kenya Gazette Notice No. 1716 dated 12<sup>th</sup> March 2004 as a State Corporation under the State Corporations Act and the Water Act 2002. The water Act 2016 was enacted and the Northern Water Services Board, was gazetted as Northern Water Works Development Agency vide special issue of Kenya Gazette No. 28 dated 26<sup>th</sup> April 2019. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Agency's principal activities are the provision of water and sanitation services in its area of jurisdiction

**2. Summary of Significant Accounting Policies**

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

**a) Statement of Compliance and Basis for Preparation –IPSAS1**

The financial statements are prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in functional currency, Kenya shillings (Kshs), which is the prevailing within the primary economic environment and prepared in accordance with the measurement bases prescribed by IPSAS.

The preparation of financial statement in conformity with IPSAS requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the board's policies.

**b) Revenue Recognition-Revenue from Non-Exchange transactions – IPSAS 23**

The Agency adopts the modified accrual basis of accounting for revenue. Revenue is recognized when funds are received and represent the amount of funds received from the GOK, Kenya Water and Sanitation programme, fees charged on water service providers and sale of tender documents.

**c) Property, Plant and Equipment –IPSAS 17**

All categories of property, plant and equipment are initially recorded at cost. According to Water Act 2002 the ministry of water and irrigation was required to value the assets and hand over to the board. However, this did not happen, hence consequently only assets whose values have been determined are the only ones taken into account. The assets are stated at historical cost less depreciation. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the board and the cost measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation on assets is calculated on a reducing balance basis and written off the cost as per rates below:

Furniture and fittings	12.5%
Computers	33.3%
Other equipment	12.5%
Motor vehicles	25%
Software	20%



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**d) Amortization of deferred income**

Deferred income relates to various assets which were directly purchased by JICA, WASSIP, KOICA, ADB, UNICEF, EU, SIDA/DANIDA and handed over to the Agency.

Amortization on assets is calculated on a reducing balance basis and written off the cost as per the rates below:

Motor vehicles 25%

**e) Transactions in Foreign Currencies- IPSAS 4**

Transaction in foreign currencies during the year is converted into functional currency, Kenya Shillings, using the exchange rates prevailing at the dates of the transactions. However, the board had few transactions in foreign currencies.

**f) Receivables**

The receivables taken into account are basically water levies charged on water sales by water service providers who are agents of the Agency, this was charged before the water Act 2016 was not enacted. The Act placed water services providers under county government.

**g) Employee Benefits- IPSAS 25**

❖ Retirement benefit obligations

The Agency operates a defined contribution retirement benefits scheme for its unionized employees. The Agency's contributions to the defined contributions schemes are charged to the statement of financial performance in the year to which they relate.

❖ Accrued leave

The estimated monetary liability for employees accrued annual leave entitlement at the balance sheet date is recognized as staff expense.

**h) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and at bank. The Agency has not made any short term investments which can readily be convertible to a known amount of cash. Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at six account in Kenya commercial bank Garissa branch at 30<sup>th</sup> June 2020. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**i) Critical Accounting Estimates and Judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. 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



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**j) Statement of comparison of budget and actual amounts**

The annual budget is prepared on the cash basis, whereas the financial statements are prepared on the accrual basis. As a result of the adoption of the cash basis for budgeting purposes, there are timing differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

**k) Related party transactions- IPSAS 20**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the Board Chairman, the directors, the Chief executive Officer and senior managers. Related party transactions therefore comprise of Board of directors' expenditure incurred for the financial year 2019/2020 amounting to **Kshs. 13,078,304** and senior management expenses amounting to **Kshs. 11,508,185** as presented in the financial statements.

**l) Financial Risk Management Objectives and Policies**

The Agency activities expose it to a variety of financial risk such as liquidity risks, effects of changes in prices of materials for infrastructure development. In order to minimize against such risks, the Agency sets acceptable level of risks. The Agency ensures projects/programs are undertaken only when funds are released by the parent ministry or the respective donor. Also, to mitigate against materials price fluctuations the Agency ensures financially viable contractors are engaged.

**m) Taxation**

Northern Water Works Development Agency is a state entity and derives almost 100% of its operational income from exchequer through budgetary provision and thus is exempt from taxation on net surpluses.

**n) Nature and purpose of reserves**

The Entity creates and maintains reserves in order to finance the renewal and replacement of property, plant and equipment from internal sources.

**o) Intangible assets – IPSAS 31**

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.



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**p) Contingent liabilities– IPSAS 19**

The Entity 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.

**q) Capital fund**

The Entity creates and maintains capital fund from the assets and grants received from the Ministry of Water, Sanitation and Irrigation during the formative stages of creation of Northern Water Works Development Agency.

<b>Income</b>		<b>2019/2020</b>	<b>2018/2019</b>
<b>Notes</b>	<b>Income</b>	<b>Kshs</b>	<b>Kshs</b>
<b>2</b>	<b>Government Grants</b>		
	Recurrent Grants	105,000,000	82,450,000
	Development Grants	-	-
		<b><u>105,000,000</u></b>	<b><u>82,450,000</u></b>
<b>3</b>	<b>Water Levies</b>		
	Actual receipts	-	-
	Accrued Fees	-	-
		-	-
<b>4</b>	<b>Accrued Income-in-kind</b>		
	Deferred income (note 22)	23,140,186	30,853,581
		<b><u>23,140,186</u></b>	<b><u>30,853,581</u></b>
<b>5</b>	<b>Other Incomes</b>		
	Miscellaneous	12,000	93,000
	Robin hood Refund	382,259	-
		<b><u>394,259</u></b>	<b><u>93,000</u></b>
<b>6</b>	<b>Project Funds</b>		
	Donor funds (Note 21 a)	1,569	30,995,412
	WSTF Funded Project	3,630	-
	Equalization Funds (Note 21 b)	58,735,016	1,279,116,374
	GOK-Development Grants (Note 21 c)	643,610,404	456,238,320
	<b>Sub Total</b>	<b>702,350,619</b>	<b>1,766,350,106</b>
	<b>TOTAL</b>	<b><u>830,885,064</u></b>	<b><u>1,879,746,687</u></b>



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**Expenditure**

**NWSB- Institutional Expenditure (note 7 – 13)**

**Note 7 Employee Costs**

<b>Particulars</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Salaries and wages	21,315,285	19,850,241
Casual labour	815,835	483,161
House allowance	5,375,000	5,338,000
Hardship allowance	6,562,900	6,524,700
Gratuity	-	-
Pension	3,022,591	2,728,612
Leave allowance	835,828	563,915
Medical insurance	11,161,425	8,167,973
Commuter allowance	1,588,500	1,574,000
Acting Allowance	-	178,080
<b>Total</b>	<b>50,677,364</b>	<b>45,408,682</b>

**Note 8 Senior Management Costs**

<b>Particulars</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Salaries and wages	7,038,980	9,152,720
House allowance	1,492,000	1,782,000
Hardship allowance	1,723,800	2,099,700
Gratuity	-	4,854,154
Pension	177,405	210,276
Leave allowance	64,000	100,000
Other staff allowances	720,000	720,000
Commuter allowance	292,000	396,000
<b>Total</b>	<b>11,508,185</b>	<b>19,314,850</b>



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**Note 9 Board Expenses**

<b>Particulars</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Board sitting allowance	2,020,000	680,000
Board Training & Workshops	4,145,572	5,567,254
Board travelling and accommodation	5,218,730	4,997,056
Honoraria	960,000	960,000
Chairman's airtime	84,000	56,000
Board's medical Insurance	650,002	873,523
Foreign Travel	-	2,099,402
<b>Total</b>	<b>13,078,304</b>	<b>15,233,235</b>

**Note 10 Depreciation Costs (Note 18)**

<b>Particulars</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Computers	491,806	449,916
Furniture and Fittings	412,247	469,711
Motor Vehicle	23,697,802	31,597,069
Equipment	939,385	1,010,403
<b>Total</b>	<b>25,541,240</b>	<b>33,527,099</b>

**Note 11 Amortization Costs (Note 19)**

<b>Particulars</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Cost as at 01-07-2019	9,925,160	9,925,160
Additions during the year	-	-
<b>Cost as at 30-06-2020</b>	<b>9,925,160</b>	<b>9,925,160</b>
Amortization as at 01-07-2019	7,656,906	7,089,842
Written Down Value	2,268,254	2,835,317
<b>Charge for the year (20% of WDV)</b>	<b>453,651</b>	<b>567,063</b>



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**Note 12      Operation Costs**

<b>Particulars</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade shows	-	45,000.00
Maintenance of motor vehicle	4,025,202	4,729,687
Maintenance of furniture and equipment	935,485	672,807
Maintenance of building and stations	2,850,391	199,600
Maintenance of computers and accessories	256,690	86,300
Monitoring and evaluation	-	897,600
<b>Total</b>	<b>8,067,768</b>	<b>6,630,994</b>

**Note 13      Administrative Costs**

<b>Particulars</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Electricity	683,095	570,205
Water and sewerage	86,858	118,568
Telephone	499,440	457,254
Internet connection	333,865	198,793
Courier and postal	179,670	197,081
Local travel	3,124,060	10,309,635
Newspaper subscription	29,520	30,000
Advertising and publicity	59,330	1,153,512
Workshop and seminars	3,697,130	1,631,140
Staff welfare	775,787	25,500
Motor vehicle insurance	2,707,628	2,821,723
Sanitary Expenses	177,954	169,324
General office supplies	445,320	741,370
Stationery	258,455	611,725
Fuel and lubricants	4,258,300	3,272,372
Bank charges	55,770	75,330
Club Membership & Professional Bodies	52,200	95,400
Contracted security guards	1,644,600	1,477,400
Foreign Travel	669,938	-
Legal fee	2,250,000	6,508,700
Corporate Social Responsibility	1,106,500	
<b>Total</b>	<b>23,095,420</b>	<b>30,465,032</b>

**Total NWSB –Institutional Expenditure (Notes 7-13)    132,421,932    151,146,955**



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**Note 14 Project Costs**

**(a) Operation Costs**

<b>Particulars</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Maintenance of motor vehicle	1,663,665	6,404,339
Maintenance of water supplies	576,075,193	1,633,050,275
Drought and flood mitigation	55,017,329	9,199,660
Hydrological surveys	2,493,732	1,090,300
Project designs	6,925,320	3,950,316
Monitoring and evaluation	11,860,541	23,464,374
<b>Total</b>	<b>654,035,779</b>	<b>1,677,159,264</b>

**b) Administrative Costs**

<b>Particulars</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Local travel	2,313,100	981,660
Fuel and lubricants	1,463,700	2,354,825
Bank charges	95,020	440,838
Contracted professional services	34,987,368	78,672,225
Foreign travel	-	1,904,008
Advertising & Publicity	2,400,886	4,475,896
Workshop and seminars	2,678,420	-
Publishing & Printing	-	361,390
<b>Total</b>	<b>43,938,494</b>	<b>89,190,842</b>

**c) Board Expenses**

<b>Particulars</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Board sitting allowance	120,000	-
Board Training & Workshops	527,729	-
Board travelling and accommodation	3,728,617	-
<b>Total</b>	<b>4,376,346</b>	<b>-</b>

**Total NWSB Expenditure (Note 15 (a to b)) 702,350,619 1,766,350,106**



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**Note 15. Cash and cash equivalents**

	2019/2020	2018/2019
Particulars	Kshs	Kshs
Cash in Bank	615,749,787	314,316,721
Cash in Hand	399,651	3,223,207
<b>Total</b>	<b>616,149,438</b>	<b>317,539,928</b>

**Note 15(a). Detailed analysis of cash and cash equivalents-Banks**

Bank name	Bank Account number	Currency	2019/2020 Kshs	2018/2019 Kshs
Kenya Commercial Bank	1107797942	Kshs	11,309,430	14,999,364
Kenya Commercial Bank	1107800056	Kshs	569,533,037	278,118,734
Kenya Commercial Bank	1107800153	Kshs	6,848,795	6,838,364
Kenya Commercial Bank	1118388321	Kshs	156,501	156,501
Kenya Commercial Bank	1132794773	Kshs	10,210	11,779
Kenya Commercial Bank	1208373099	Kshs	508,944	14,191,979
Kenya Commercial Bank	1273627857	Kshs	13,513,790	-
Kenya Commercial Bank	1273627180	Kshs	10,727,290	-
Kenya Commercial Bank	1273628136	Kshs	3,141,790	-
<b>Total</b>			<b>615,749,787</b>	<b>314,316,721</b>

**Note 15(b). Detailed analysis of cash and cash equivalents-cash on hand**

Liquid Cash	2019/2020 Kshs	2018/2019 Kshs
1107797942	124,859	127,116
1107800056	118,314	2,763,006
1208373099	156,478	333,085
<b>Total</b>	<b>399,651</b>	<b>3,223,207</b>

**Note 16 Receivables from non-exchange transactions**

Particulars	2019/2020 Kshs	2018/2019 Kshs
Trade Debtors-WSPs	23,880,969	23,880,969
Other Receivables	-	-
<b>Total</b>	<b>23,880,969</b>	<b>23,880,969</b>



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**Note 17 Property, Plant and Equipment**

	Computers and Accessories	Furniture and Fittings	Motor Vehicles	Equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
As at 01-07-2018	13,871,600	10,408,217	304,744,433	23,147,715	352,171,965
Additions during the year		677,088	77,898,478	249,000	78,824,566
Disposals during the year	-	-	-	-	-
<b>As at 30-06-2019</b>	<b>13,871,600</b>	<b>11,085,305</b>	<b>382,642,911</b>	<b>23,396,715</b>	<b>430,996,531</b>
Additions during the year	575,710	10,000	-	442,265	1,027,975
Disposals during the year	-	-	-	-	-
<b>As at 30-06-2020</b>	<b>14,447,310</b>	<b>11,095,305</b>	<b>382,642,911</b>	<b>23,838,980</b>	<b>432,024,506</b>
Depreciation as at 01-07-2019	(12,970,416)	(7,797,330)	(287,851,703)	(16,323,898)	(324,943,348)
Accumulated depreciation on disposal	-	-	-	-	-
Charge for the year	(491,806)	(412,247)	(23,697,802)	(939,385)	(25,541,240)
<b>Total Depreciation as at 30-06-2020</b>	<b>(13,462,222)</b>	<b>(8,209,577)</b>	<b>(311,549,505)</b>	<b>(17,263,283)</b>	<b>(350,484,588)</b>
NBV as at 30-06-2019	901,184	3,287,975	94,791,208	7,072,817	106,053,184
<b>NBV as at 30-06-2020</b>	<b>985,088</b>	<b>2,885,728</b>	<b>71,093,406</b>	<b>6,575,697</b>	<b>81,539,918</b>

**Note 18. Intangible Assets**

Particulars	2019/2020
	Kshs
<b>Cost as at 1 July 2019</b>	<b>9,925,160</b>
Additions during the year	-
<b>Cost as at 30 June 2020</b>	<b>9,925,160</b>
Amortization as at 1 July 2019	7,656,906
Charge for the year	453,651
<b>Amortization as at 30 June 2020</b>	<b>8,110,557</b>
Carrying value as at 30 June 2019	2,268,254
<b>Carrying value as at 30 June 2020</b>	<b>1,814,603</b>

**Note 19. Trade and Other Payables**

	2019/2020	2018/2019
	Kshs	Kshs
Trade Creditors	8,291,901	93,032,907
Staff Creditors	-	727,610
OAG -Audit fee	-	-
<b>Total</b>	<b>8,291,901</b>	<b>93,760,517</b>



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**Note 20. Project Costs (Note 14 a-b)**

These are funds utilized in implementation of various projects funded by both GOK and Development partners. These funds were intended to be used for capacity building of rural water supplies, drilling and equipping of boreholes, construction of water pans and rehabilitation and augmentation of urban water supplies and sewerage.

Source of Funds	BOARD EXPENSES		OPERATIONAL COSTS		ADMINISTRATIVE COSTS		TOTAL PROJECT COSTS	
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>OTHER FUNDS-Donor Funds</b>								
EU GOK Contribution	-	-	-	-	-	1,065	-	1,065
Kenya Italy Debt Relief Programme	-	-	-	370,000	1,569	2,037	1,569	372,037
WSTF	-	-	-	-	3,630	-	3,630	-
<b>a</b> BADEA & OFID				30,622,311	-	-	-	30,622,311
<b>c</b> Equalization funded projects	-	-	57,629,781	1,209,210,373	1,105,235	69,906,000	58,735,016	1,279,116,374
<b>b</b> GOK FUNDS	4,376,346	-	596,405,998	436,956,580	42,828,060	19,281,740	643,610,404	456,238,320
	-	-						
<b>(a+b+c) Total</b>	<b>4,376,346</b>	<b>-</b>	<b>654,035,779</b>	<b>1,677,159,264</b>	<b>43,938,494</b>	<b>89,190,842</b>	<b>702,350,619</b>	<b>1,766,350,106</b>



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**Note 21. Unexpended Grants**

These are unutilized project funds which were carried forward to the next financial year and whose period of utilization has not expired.

	Source of Funds	2018/2019	2018/2019	2018/2019	2019/2020	2019/2020	2019/2020
		Income	Expenditure	Unexpended Grants	Income	Expenditure	Unexpended Grants
		(d)	(e)	(f)=(c+d-e)	(d)	(e)	(f)=(c+d-e)
		Kshs	Kshs	kshs	Kshs	Kshs	kshs
(a)	<b>OTHER FUNDS</b>						
	EU GOK CONTRIBUTION	-	1,065	109,466	-	-	109,466
	Kenya Italy Debt Relief Programme	-	372,037	11,779	-	1,569	10,210
	WSTF	-	-	(5,319)	-	-	(5,319)
	WSTF FUNDED PROJECTS			-	27,386,500	3,630	27,382,870
	BADEA & OFID	30,622,311	30,622,311	-	-	-	-
(b)	Equalization Funded Projects	886,866,572	1,279,116,374	147,629,547	66,353,001	58,735,016	155,247,532
(c)	GOK Funds	382,507,250	456,238,320	68,218,833	994,750,000	643,610,404	419,358,429
(a+b+c)	<b>Total</b>	<b>1,299,996,133</b>	<b>1,766,350,106</b>	<b>215,964,306</b>	<b>1,088,489,501</b>	<b>702,350,619</b>	<b>602,103,188</b>

**Note 22. Deferred Income**

	2019/2020	2018/2019
	Kshs	Kshs
As at 1 July	92,560,743	45,515,845
Received During the Year	-	77,898,478
Total for the year	92,560,743	123,414,323
Transfer to Income (Note 2)	(23,140,186)	(30,853,581)
<b>As at 30 June</b>	<b>69,420,557</b>	<b>92,560,743</b>



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**XVII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

We are still waiting for the Final Audit certificate for Financial Year 2018/19, we will comment and resolve the issues raised and set time frame within which we expect the issues to be resolved as soon as the certificate is out

Abdikadir Noor Osman, HSC

Date 29/9/2020

Hon. Shaban Ali Isaack

Date 29/9/2020

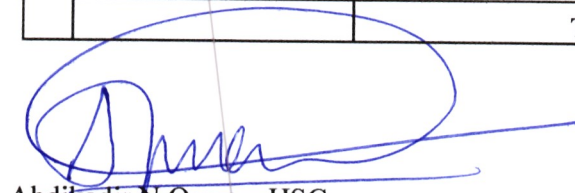


**NORTHERN WATER WORKS DEVELOPMENT AGENCY**  
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**2020**

**XVIII. INTER ENTITY TRANSFERS**

ENTITY NAME:		NORTHERN WATER WORKS DEVELOPMENT AGENCY		
Break down of Transfers from the Ministry of Water, Sanitation and Irrigation				
FY 2019/2020				
<b>a.</b>	<b>Recurrent Grants</b>			
		<b>Bank Statement Date</b>	<b>Amount (KShs)</b>	<b>FY to which the amounts relate</b>
		14-Aug-19	8,750,000	FY 2019/20
		5-Sep-19	8,750,000	FY 2019/20
		4-Oct-19	8,750,000	FY 2019/20
		5-Nov-19	8,750,000	FY 2019/20
		10-Dec-19	8,750,000	FY 2019/20
		24-Dec-19	8,750,000	FY 2019/20
		13-Feb-20	8,750,000	FY 2019/20
		31-Mar-20	8,750,000	FY 2019/20
		2-Apr-20	8,750,000	FY 2019/20
		29-May-20	8,750,000	FY 2019/20
		3-Jun-20	8,750,000	FY 2019/20
		29-Jun-20	8,750,000	FY 2019/20
		<b>Total</b>	<b>105,000,000</b>	
<b>b.</b>	<b>Development Grants</b>			
		<b>Bank Statement Date</b>	<b>Amount (KShs)</b>	<b>FY to which the amounts relate</b>
		4-Jul-19	70,000,000	FY 2018/19
		8-Jul-19	10,000,000	FY 2018/19
		15-Jul-19	103,500,000	FY 2018/19
		4-Nov-19	81,750,000	FY 2019/20
		4-Nov-19	81,750,000	FY 2019/20
		11-Dec-19	60,000,000	FY 2019/20
		11-Dec-19	12,000,000	FY 2019/20
		11-Dec-19	50,000,000	FY 2019/20
		22-Jan-20	5,000,000	FY 2019/20
		27-Feb-20	15,000,000	FY 2019/20
		12-Jun-20	154,250,000	FY 2019/20
		18-Jun-20	250,000,000	FY 2019/20
		18-Jun-20	93,500,000	FY 2019/20
		18-Jun-20	8,000,000	FY 2019/20
		<b>Total</b>	<b>994,750,000</b>	
<b>c.</b>	<b>WSTF Funded Projects</b>			

	<b>Bank Statement Date</b>	<b>Amount (KShs)</b>	<b>FY to which the amounts relate</b>
Godoma Watiti	8-Jun-20	13,515,000	FY 2019/20
Lataka Project	8-Jun-20	10,728,500	FY 2019/20
Dakhane Project	8-Jun-20	3,143,000	FY 2019/20
	<b>Total</b>	<b>27,386,500</b>	
<b>d. Equalization Funds</b>			
	<b>Bank Statement Date</b>	<b>Amount (KShs)</b>	<b>FY to which the amounts relate</b>
	4-Jul-19	28,753,466.20	FY 2019/20
	9-Jul-19	13,102,630.00	FY 2019/20
	9-Jul-19	7,207,586.50	FY 2019/20
	9-Jul-19	2,201,147.00	FY 2019/20
	9-Jul-19	15,088,171.40	FY 2019/20
	<b>Total</b>	<b>66,353,001.00</b>	



Abdikadir N. Osman, HSC  
 Chief Executive Officer  
 Date 29/9/2020



CPA Andrew Rage Eysimkele  
 FAM  
 Date 29/9/2020