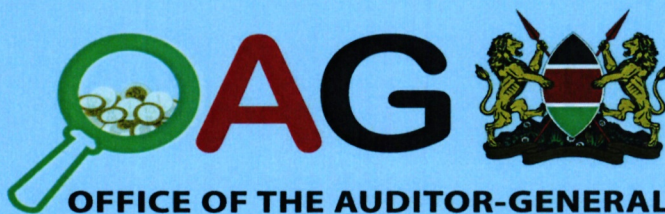


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Enhancing Accountability



REPORT

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THE AUDITOR-GENERAL

ON

**KENYA TOWNS SUSTAINABLE
WATER SUPPLY AND SANITATION PROGRAM
(AfDB LOAN NO.2000200000501)**

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

**TANA WATER WORKS DEVELOPMENT
AGENCY**

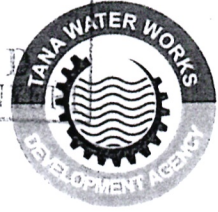




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**PROJECT NAME: KENYA TOWNS SUSTAINABLE WATER SUPPLY AND
SANITATION PROGRAM (KTSWSSP)**

IMPLEMENTING ENTITY: TANA WATER WORKS DEVELOPMENT AGENCY

PROJECT LOAN NUMBER: 2000200000501

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1.3 Project Overview

Line Ministry	The Project is under the Supervision of the Ministry of Water, Sanitation and Irrigation
Project Number	P-KE-E00-011
Strategic Goals of the Project	The Strategic Goals of the Project are; <ol style="list-style-type: none"> i. To improve the access, quality, availability and sustainability of water supply services in the Kenya Towns of Kerugoya, Kutus, Chuka, Chogoria, Murang'a, Mandera, Marsabit, Isiolo and Garissa with a view to catalyzing commercial activities, driving economic growth and employment creation. ii. To improve the access to wastewater management services in the Kenya Towns of Kerugoya, Kutus, Chuka, Chogoria, Meru, Othaya Mandera, Marsabit and Isiolo with a view to catalyzing commercial activities, driving economic growth, and employment creation
Achievement of Strategic Goals	The Project Management aims to achieve the goals through the following means: <ol style="list-style-type: none"> i. Construction of Water Supply infrastructure for improved water services in 9 No. Towns ii. Construction of Sewerage infrastructure for improved sanitation services in the Kenya Towns of 9 numbers Towns
Other Important Background Information of the Project	The Project aims is to: <ol style="list-style-type: none"> i. Improve the Health and Quality of life in the 11 number Towns. ii. Reduce poverty levels of the population through provision of Water and Sanitation Services on a sustainable basis and employment creation in the 11 number Towns iii. Catalyse commercial activities to drive economic growth in the 11 number Towns
Current Situation that the Project was formed to Intervene	The Project was formed to intervene in the following areas: <ol style="list-style-type: none"> i. Water Coverage where the Water needs are not being addressed by any other Development Partners in the 9 number Towns. ii. Sewerage Coverage where Sanitation needs is not being addressed by any other Development Partners in the 9 number. Towns iii. Last Mile Connectivity to customers to complement the completed project in the Towns of Murang'a, Garissa and Isiolo Towns. iii. Water quality testing by constructing laboratory and equipping of the laboratory in the 6 number Towns. iv. Sewerage test by constructing laboratory and equipping of the laboratory in the 6 number Towns. v. Capacity development of Water Service Providers and the

**Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
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For The Financial Year Ended June 30 2020**

	<p>Agency staff through trainings in the 9 number Towns</p> <ul style="list-style-type: none"> vi. Bills Processing by installing billing software to increase efficiency in billing process in 5 number Towns. vii. Non-Revenue Water Management by procuring of water meters and Leak Detection Equipment for Non-Revenue Water Management in the 5 number Towns viii. Resilience against climate variability and change by Construction of Biogas Domes in 3 number towns and Landfill cell for Meru Town. iv. Agencies Resource Management by installation of Enterprise Resource Planner (ERP) in the 2 Agencies. v. Building capacity of Water Service Providers by Procurement of Exhausters.
Project Duration	The Project started on 9 January 2017 and is expected to run until 31 December 2021

1.4 Bankers

The following is the banker for the current year

Kenya Commercial Bank

Nyeri Branch

P.O Box 215-10100

Nyeri, KENYA

1.5 Auditors

The project is audited by the office of the Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

1.6 Roles and Responsibilities

The following officers are involved in the project implementation;

Names	Title designation	Key qualification	Responsibilities
Eng. Moses. M. Naivasha	CEO	Bsc. Civil Engineering	<ul style="list-style-type: none"> • Ensuring Fiduciary Responsibilities relating to the Projects are in accordance to the Financing Agreement. • Monitoring overall Projects progress. • Ensuring ADB Project implementation guidelines are complied with. • Ensuring Project progress report is prepared and is accurate. • Ensure Project Financial Statements are prepared. • Ensure direct payments are submitted to the parent Ministry for onward transmission to The National Treasury and Planning and ADB. • Ensure adequate funds for direct payment and counterpart are allocated in the budget. • Overseeing project procurement plan for the programme • Ensure adherence to ADB guidelines in the procurement of Goods, Works and Services under the Projects
Arthur Mamo	Program Coordinator	Bsc. Civil Engineering, MBA(Project Management)	<ul style="list-style-type: none"> • Projects monitoring and reviewing • Presenting projects progress reports • Ensuring project implementation is in accordance to AfDB guidelines
CPA Nicholas Kariuki	Project Accountant	B.Com, MBA, MA(Project Management), CPA(K), CS(K)	<ul style="list-style-type: none"> • Preparation of Project Financial Statement. • Project payments processing. • Forwarding Direct payments to the Ministry of Water, Sanitation and Irrigation for onward transmission to The National

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Names	Title designation	Key qualification	Responsibilities
			Treasury and Planning and ADB <ul style="list-style-type: none"> • Preparing Project Budget Estimates
Samuel K. Ndung'u	Project Engineer-NWWDA	Bsc. Civil Engineering	<ul style="list-style-type: none"> • Assist in Projects monitoring and reviewing • Assist Presenting projects progress reports • Assist in ensuring project implementation is in accordance to ADB guidelines
Martin Gitonga	Procurement Specialist-TWWDA	Bachelor of Supply Chain Management	<ul style="list-style-type: none"> • Preparation of procurement Plan for the programme • Ensuring Procurement of Goods, Works and Services under the Projects is in accordance to the ADB and guidelines
Benedict Kimwaki	Procurement Specialist-NWWDA	Msc. Supply Chain Management	<ul style="list-style-type: none"> • Assist in preparation of procurement Plan for the programme • Assist in ensuring Procurement of Goods, Works and Services under the Projects is in accordance to the ADB and Guidelines

1.8 Summary of Overall Project Performance:

Budget Performance

- In FY 2019/2020 budget was KES 2,100,000,000 and actual expenditure was KES1,551,587,163
- Cumulative allocation for the program is KES 3,230,000,000 against cumulative actual expenditure of KES 2,576,298,827

- **Physical Progress**

The bulk of works are at construction stage, hence the performance and impact of the project cannot be evaluated at this stage. However the overall progress is at 15%.

- **Value for Money Achievement**

The amount paid to consultants and contractors is as follows:

S/ No.	Details	Amount
1	Consultancy	271,460,196
2	Contractors	378,274,873
3	Advance Payment	1,641,001,481
4	Administration Cost	285,562,277

$$\text{Value for Money} = \frac{\text{Actual Works Cost} \times 100}{\text{Total Budget}} = \frac{378,274,873 \times 100}{3,230,000,000} = 11.7\%$$

Physical work done is at 15% compared to 11.7% of the value of work done.

- **Absorption Rate**

The Project Absorption rates are as follows:

Financial Year	Computation	Absorption Rate (%)
2019/2020	$\frac{\text{Actual expenditure} = 2,576,298,827 \times 100}{\text{Total Project Cost } 12,721,985,618}$	20.25
2018/2019	$\frac{\text{Actual Expenditure} = 1,038,264,614 \times 100}{\text{Total Project Cost } 12,721,985,618}$	8.2
2017/2018	$\frac{\text{Actual Expenditure} = 255,769,988 \times 100}{\text{Total Project Cost } 11,065,854,281}$	2.3

Implementation Challenges

- (i) Acquisition of project land and way leave due to inadequate allocation of GoK Counterpart fund.
- (ii) Delays in disbursements of GoK Counterpart allocated funds.
- (iii) Acquisition of land easement from Nyayo Tea Zone, Kenya Forest Services and Kenya Wildlife Services.
- (iv) Delay in approval of tax exemption master list by The National Treasury and Planning.

Recommended Way Forward

- (i) In FY 2020/2021 there is adequate budget allocation for acquiring land and way leave.
- (ii) The Agency has liaised with the Ministry of Water, Sanitation and Irrigation to ensure funds are disbursed in time.
- (iii) The Agency has engaged the Parent Ministry to intervene on the matter of land easements.
- (iv) Approval of tax exemption Master List was received from The National Treasury and Planning hence the challenge has been surmounted.

1.9 Summary of Project Compliance

- The Project has complied with all applicable Laws and Regulations, and essential external Financing Agreements/Covenants to allow the Agency to carry on with the Project Implementation.
- No consequence was /is likely to be suffered on account of non-compliance.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the National Government entity's performance against predetermined objectives.

The main objective of the program is to improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns in Kenya, with a view to catalyzing commercial activities, driving economic growth, employment creation, improving quality of life of the people and building resilience against climate variability and change. The program objective will be achieved through:

- i) Construction and rehabilitation of water supply and sanitation infrastructure (including expansion into informal settlements) for improved water and sanitation services; and
- ii) Capacity development of water service providers, the sector regulator for improved service efficiency and women and youth for increased employment opportunities.

The key development objective of the projects 2017-2021 plans are to:

- a) To improve the access, quality, availability and sustainability of water supply services in 9 No. towns with a view to catalyzing commercial activities, driving economic growth and employment creation.
- b) To improve the access to wastewater management services in 9 number towns with a view to catalyzing commercial activities, driving economic growth, employment creation.
- c) To build resilience against climate variability and change
- d) To build capacity of 5 number Water Service Provider

Progress on attainment of strategic development objectives

For the purpose of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objective:

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Project	Objective	Outcome	Indicator	Performance
Kerugoya-Kutus Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2019/2020 the Contractor Mobilized and Commenced Construction of 1 No. Storage tank (5%)
Kerugoya-Kutus Sewerage Project	To improve the access to wastewater management services in with a view to catalysing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2019/2020, the Contractor Mobilized to site and Commenced excavation of Wastewater Stabilization Ponds (10%)
Chuka Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2019/2020 the Construction Works Contract was advertised
Chuka Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2019/2020, the Contractor Mobilized to site and Commenced excavation of Wastewater Stabilization Ponds (5 %)
Chogoria Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2019/2020 Compensation of Land for Construction of Storage tank was acquired and Construction of Storage tanks

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Project	Objective	Outcome	Indicator	Performance
				Commenced (5%)
Chogoria Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2019/2020, the Contractor Mobilized to site and Commenced excavation of Wastewater Stabilization Ponds (5 %)
Meru Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2019/2020, the Contractor Mobilized to site and Commenced excavation of Wastewater Stabilization Ponds (5 %)
Mandera Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2019/2020 Construction of Water treatment Works and 2 No. Storage tanks Commenced.3 Km of Water Supply Pipelines was Installed (10%)
Mandera Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2019/2020, the Construction works Contractor Mobilized to site
Marsabit Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and	Improved Water Supply Services	% of people with access to piped water	In FY 2019/2020, 2 No. storage tanks were completed, 40% of the Water Treatment Works was Completed and

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Project	Objective	Outcome	Indicator	Performance
	employment creation.			6 Km of Water Pipelines Installed (20%)
Marsabit Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2019/2020, 50 % of Wastewater Stabilization Ponds Was Completed and 8 Km of Sewer lines Installed (30%)
Garissa Water Supply Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2019/2020, 4 No. Boreholes were Rehabilitated, 0.4 Km Installed, and Construction of 3 No. Storage tanks Commenced (15%)
Isiolo Water Supply and Sewerage Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water supply and wastewater management services	Improved Water Supply and Sewerage Services	% of people with access to piped water and Sewerage Services	In FY 2019/2020, 9 Km of Water Supply Pipelines and 2 Km of sewerage pipelines were installed
Murang'a Urban Water Supply Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2019/2020, the Contractor for Installation of Water Supply Pipelines Mobilized to site
Murang'a South Water Supply Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2019/2020, the Contractor for Installation of Water Supply Pipelines Mobilized to site

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Project	Objective	Outcome	Indicator	Performance
Othaya Sewerage Project-Last Mile Connectivity	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2019/2020, 1 No. Ablution Block was completed and 1.7 Km of Sewerage pipeline installed (20%)
Construction of Biogas Domes in 3 No.towns	To build resilience against climate variability and change	Resilience against climate variability and change	% of reduction of emission of Greenhouse Gases	Activity to Commence in FY 2020/2021
Construction of Landfill cell for Meru Town	To build resilience against climate variability and change	Resilience against climate variability and change	% of people with access to solid waste management services	Activity to Commence in FY 2020/2021
Procurement of Exhausters	To build capacity of water service providers	Improved Capacity of Water Service Providers towards service provision	% of people with access to sewerage services	In FY 2019/2020 the Contract for supply of 8 No. Exhausters was signed
Procurement of Water Meters and Leak Detection Equipment	To build capacity of water service providers	Improved Capacity of Water Service Providers towards service provision	% of Reduction of Non-Revenue Water	Activity to Commence in FY 2020/2021
Procurement of Enterprise Resource	To Build Capacity of 2 No. Water Works Development Agencies	Improved Capacity of Water Works	Automation of Business Processes	Activity to Commence in FY 2020/2021

Tana Water Works Development Agency
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Project	Objective	Outcome	Indicator	Performance
Systems		Development Agencies in Business Processes		
Training of Water Works Development Agency and Water Service Providers Staff	To build capacity of Works Development Agency and Water Service Providers Staff	Improved Capacity of WWDA and WSP in Human Resource	No of WWDA and WSP Staff Trained	Activity to Commence in FY 2020/2021

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Tana Water Works Development Agency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on four pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

Kenya's political situation has relatively remained stable thus allowing the Agency to continue implementing the government's "Big Four Agenda" that aims to provide Universal Healthcare and affordable housing, increase manufacturing and improved food security. The projects involved development of water and sewerage infrastructure. The Agency acknowledges its responsibility to society in its capacity as a corporate citizen. Consequently, it endeavours to play an active role in national and regional matters as per its mandate besides contributing to various worthy causes. In the financial year under review, the Agency continued to offer technical advice and support to different stakeholders in the water sector, particularly the county governments to facilitate access to safe and clean water in adequate quantities. The Agency has utilized criteria of good practices fulfilling human rights obligations related to access to safe drinking water and sanitation mandated by the Human Rights Council. The criterion includes availability, accessibility, Quality/safety, participation and accountability.

2. Environmental performance

Our environmental sustainability programmes address local water challenges through increased water and energy efficiency. The Agency has put in place climate change adaptation initiatives such as renewable energy (solar) for back washing. Through a combination of employee engagement, operational efficiencies and creative engineering projects, the Agency works throughout its sites to improve water and energy efficiency.

3. Employee welfare

The Agency has put in place human resource strategies to develop its staff so as to effectively continue to deliver on its mandate. This entailed: Enhancing staff competencies, improving working environment, enhancing performance management, succession management and enhancing knowledge management. The Agency has ensured a gender ratio of 1:3 for female to male. A Human Resource Policy and Procedures manual is being implemented.

The Agency is firmly committed to ensuring the occupational health, safety and well-being of our employees, contractors and visitors. Our commitment to occupational health and safety is underpinned by our core values: "Good governance", and "customer-focus". The Agency is committed to creating a zero harm safety culture in all of our operations. Our aim is to create a

proactive safety culture in which all our employees believe that all injuries and illness are foreseeable and preventable.

4. Market place practices

The Agency is committed to promoting and adhering to the highest standards of probity and accountability in the use of its funding and takes a zero-tolerance stance towards cases of fraud and corruption in its activities and operations, both within the institution and under its projects and programmes. To this end the Agency has developed and implemented four anti-corruption policies and continues to train staff both at the Agency and Water Service Providers. The Agency commits to ensure ease of doing business by promptly making payments to its suppliers thus improving its Agency-Supplier relationship. The Agency complies with all laws and regulations dealing with marketing practices. All advertisements for tenders and jobs undergo internal review for accuracy and compliance. The Agency also ensures privacy of customer and consumer information and data protection. As the Agency designs and implements its water and sanitation infrastructure projects, it ensures that there is minimal impact on the environment. Environmental Social Impact Assessment is undertaken in all projects before implementation takes place.

5. Community Engagements

We believe that our operations can only thrive in a healthy community environment. Our success is therefore, reliant on sustainable growth and development of our local communities. Working with our partners, local stakeholders and the communities themselves, the Agency contributes to community sustainability by providing local jobs in our projects, fostering an enterprise culture throughout our value chain, sourcing from local businesses (promoting local content in procurement) where feasible and addressing local concerns through community investment programs. We undertake this through our stakeholder engagement framework that supports a wider, holistic approach to local economic development driven by the following focus areas; Water access: Water is life. There are many communities in the Agency area of jurisdiction that have no access to clean and safe water. This is due to reasons such as lack of rainfall and poor infrastructure. In response to this, the Agency has continuously partnered with various agencies in the provision of safe, reliable and sustainable water supply to communities living in water-stressed areas.

We continue to invest heavily in water projects that have positive and long-term impact on thousands of people by: reducing the incidence of water-borne diseases and by releasing time spent by women and children in search of water for alternative income generating activities.

The Agency promotes healthcare through provision of safe and clean water and enhanced sanitation that ensures reduction in water borne diseases. The Agency's legal and constitutional mandate is development and maintenance of national water and sanitation works.

4. STATEMENT OF PROGRAM MANAGEMENT RESPONSIBILITIES

The Chief Executive Officer, Tana Water Works Development Agency and the Program Coordinator for ADB Program are responsible for the preparation and presentation of the Program's Financial Statements, which give a true and fair view of the state of affairs of the Program for and as at the end of the financial year ended on June 30, 2020. This responsibility includes:

- i. Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Program;
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statement, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv. Safeguarding the assets of the Project.
- v. Selecting and applying appropriate Accounting Policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer, Tana Water Works Development Agency and the Program Coordinator for ADB funded program accept responsibility for the Program's Financial Statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

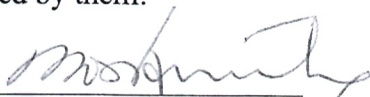
The Chief Executive Officer, Tana Water Works Development Agency and the Project Coordinator for ADB funded Program are of the opinion that the Program's Financial Statements give a true and fair view of the state of Program's transactions during the Financial Year ended June 30, 2020, and of the Program's financial position as at that date. The Chief Executive Officer, Tana Water Works Development Agency and the Program Coordinator for ADB funded program further confirm the completeness of the accounting records maintained for the Program, which have been relied upon in the preparation of the Program Financial Statements as well as the adequacy of the systems of internal financial control.

The Chief Executive Officer, Tana Water Works Development Agency and the Program Coordinator for ADB funded Program confirm that the Program has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
Reports and Financial Statements
For The Financial Year Ended June 30 2020**

Approval of the Project Financial Statements

The Project Financial Statements were approved by the Chief Executive Officer for TWWDA and the Program Coordinator for ADB funded project on 10/8 / 2020 and signed by them.



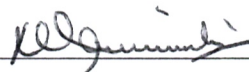
Chief Executive Officer

Name: Eng. Moses M. Naivasha



Program Coordinator

Name: Arthur Mamo



Project Accountant

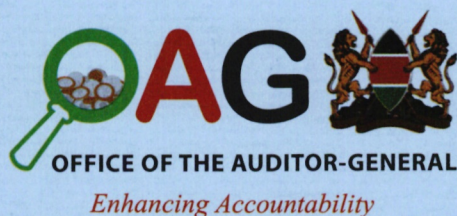
Name: CPA Nicholas Kariuki
ICPAK Member Number: 6863

**Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
Reports and Financial Statements
For The Financial Year Ended June 30 2020**

**REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS
OF THE KENYA TOWNS SUSTAINABLE WATER AND SANITATION PROGRAM**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 KENYA TOWNS SUSTAINABLE WATER SUPPLY AND SANITATION PROGRAM (AfDB LOAN NO.2000200000501) FOR THE YEAR ENDED 30 JUNE, 2020 – TANA WATER WORKS DEVELOPMENT AGENCY

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Towns Sustainable Water Supply and Sanitation Program – Tana Water Works Development Agency set out on pages 1 to 15, which comprise the statement of financial assets as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and 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 the Kenya Towns Sustainable Water Supply and Sanitation Program as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Loan Agreement No.2000200000501 dated 9 January, 2017 between the Republic of Kenya and the African Development Bank (AfDB) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Understatement of Approved Budget on Transfers from Government Entities

The statement of comparative budget and actual amounts reflects a final budget of Kshs.400,000,000 under other grants and transfers. However, a review of letter Reference No. MWS/FIN/3/62/VOL.XVIII/ (71) dated 25 July, 2019 forwarding disbursements from the Ministry of Water and Sanitation revealed an approved allocation of Kshs.900,000,000 for the Project's development expenditure. Although the Management explained that the additional allocation of Kshs.500,000,000 under the Program's Account was for construction of small and medium dams to supplement AfDB funded projects at Kanjogu and Thambo areas, which was accounted for under GOK grants for development in the main Agency Account, the approved allocation was not

itemized and apportioned between the donor funded projects and other Agency's development programmes. The final budget figure was therefore, understated in the Program's financial statements.

2. Cash and Cash Equivalents

The statement of financial assets as at 30 June, 2020 reflects bank balances of Kshs.154,311,607. However, the Implementing Agency did not open the Program's bank account for purposes of receiving and accounting for counterpart funds as required under Article I, Section 1.2(j) of the Subsidiary Loan Agreement. The Implementing Agency operates one development account No.1101998773 into which all development funds are received and accounted for.

A review of the cashbook, bank reconciliation statements and breakdown schedule for the development account No.1101998773 revealed that the account had a closing balance of Kshs.916,970,128 as at 30 June, 2020 out of which an amount of Kshs.154,311,607 was attributed to the Program. However, the completeness and accuracy of the balance of Kshs.154,311,607 could not be ascertained in the absence of a separate bank account for the Program.

The Management has not provided satisfactory explanation for failing to open the Program's bank account to avoid commingling of funds with those intended for other GOK development projects being implemented by Tana Water Works Development Agency.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Towns Sustainable Water Supply and Sanitation Program 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. Pending Bills

Note 11.1 and Note 11.3 to the financial statements reflects pending bills amounting to Kshs.297,942,070 as at 30 June, 2020. However, reasons for non-payment of the pending bills have not been provided. Further, the Project is at risk of incurring additional significant interest costs and penalties with the continued delay in making payments.

2. Budgetary Control and Performance

During the year under review, the Program had an approved total expenditure budget of Kshs.2,100,000,000 against the actual expenditure of Kshs.1,551,587,163 translating to

74% budget implementation. Similarly, out of the budgeted receipts of Kshs.2,100,000,000, the Project received Kshs.1,692,345,820 or 81%. Management has attributed the shortfall in receipts to delay in disbursement of the 4th quarter allocation and unfinalized payment documents submitted to the parent Ministry for onward transmission to The National Treasury. However, evidence of the measures put in place to avoid any future delays was not provided.

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 matters 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

1. Delay in Project Implementation

As previously reported, available information and contract agreements for the works being implemented by both Tana Water Works Development Agency and Northern Water Works Development Agency show that although various contract agreements for the implementation of the Projects were signed in 2018 and early 2019, a status review carried out on 29 October, 2020 on the construction of twelve (12) water and sewerage infrastructure Projects, revealed that the Projects were five (5) to eleven (11) months behind schedule. It was also noted that overall progress was 15% - eighteen months to the end of the five-year contract period.

Although the Management attributed the delay in implementation of the Projects to failure to obtain tax exemption and inadequate counterpart funding, no evidence was been provided on measures being taken to forestall the recurrence of a similar situation.

2. Acquisition of Land - Advance Payments for Land with Encumbrances

The statement of receipts and payments reflects an expenditure of Kshs.69,939,3117 under acquisition of non-financial assets which includes advance payments totalling Kshs.14,510,671 for two parcels of land in areas where the Projects are being implemented. Records show that the Management paid an amount of Kshs.5,138,921, on 15 March, 2020 for land parcel - L.R. No. Karingani/Ndagani/11677 and developments thereon, whose total purchase price was Kshs.7,363,595. However, the land had a caution registered on it that had not been cleared.

Further an advance payment of Kshs.9,371,750 was paid on 8 April, 2020 for a piece of land – L.R. No. Marsabit/Mountain/55 and developments thereon being part settlement of the purchase price of Kshs.46,436,750. However, the land was also subject to succession proceedings that had not been concluded. Additional information indicated

that Management relied on a report from an advocate indicating appointed administrators of the estate of the deceased instead of a Certificate of Confirmation of Grant (Form P & A 54) as required by Part IV, Section 71(1) of the Law of Succession Act, Cap 160. In the absence of confirmation and determination of the rightful owners of the land, disputes may arise in the future which may lead to loss of public funds.

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 aspects, 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 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by African Development Bank, I confirm that:

- i. The Program funds have been used in accordance with conditions of the Loan Agreement with due attention to economy, efficiency and effectiveness for the purposes for which they were provided;
- ii. Counterpart funds have been provided and used in accordance with conditions for the Loan Agreement;
- iii. Goods and services financed have been procured in accordance with the Loan Agreement and Fund's rules and procedures;
- iv. Adequate internal control to monitor expenditure and other financial transactions and ensure safe custody of assets exist; and
- v. Necessary supporting documents, records and accounts have been kept in respect of all activities of the Program.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such 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.

In preparing the financial statements, Management is responsible for assessing the Program's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Program or 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.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 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 an 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 assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with Section 7(1) of 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 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 Program's ability 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 Program to cease 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 Program 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

23 December, 2020

Tana Water Works Development Agency
 Kenya Towns Sustainable Water Supply and Sanitation Program
 Reports and Financial Statements
 For the Financial Year Ended June 30 2020

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 JUNE, 2020

	Note	2019/2020		2018/2019		Cumulative to-date
		Receipts and Payments controlled by TWWDA	Payments made by ADB	Receipts and Payment controlled by TWWDA	Payments made by ADB	
		KES	KES	KES	KES	KES
RECEIPTS						
Transfers from Government Entities	10.3	300,000,000	-	75,000,000	-	439,873,884
Loan from External Development Partners	10.4a	-	769,128,459	-	107,915,889	992,220,137
Loan from External Development Partners	10.4b	-	623,217,361	-	599,578,737	1,298,516,413
TOTAL RECEIPTS		300,000,000	1,392,345,820	75,000,000	707,494,626	2,730,610,434
PAYMENTS						
Purchase of Services	10.5a	-	13,099,232	-	7,888,000	136,163,021
Purchase of Services	10.5b	-	-	-	47,555,285	123,275,600
Acquisition of Non-Financial Assets	10.6 a	69,939,317	756,029,227	25,549,895	100,027,889	976,563,786
Acquisition of Non-Financial Assets	10.6b	29,446,384	623,217,361	-	552,023,452	1,204,687,197
Project Administrative Costs	10.7	59,855,642	-	35,897,155	-	135,609,223
TOTAL PAYMENTS		159,241,343	1,392,345,820	61,447,050	707,494,626	2,576,298,827
SURPLUS/(DEFICIT)		140,758,657	-	13,552,950	-	154,311,607

Cummulative to date figures are tabulated as follows:

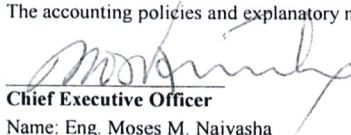
Receipts	FY 2019/2020	FY 2018/2019	FY 2017/2018	Cummulative to date
Transfers from Government Entities	300,000,000	75,000,000	64,873,884	439,873,884
Loan from External Development Partners	769,128,459	107,915,889	115,175,789	992,220,137
Loan from External Development Partners	623,217,361	599,578,737	75,720,315	1,298,516,413
Payments				
Purchase of Services	13,099,232	7,888,000	115,175,789	136,163,021
Purchase of Services		47,555,285	75,720,315	123,275,600
Acquisition of Non-Financial Assets	825,968,544	125,577,784	25,017,458	976,563,786
Acquisition of Non-Financial Assets	652,663,745	552,023,452		1,204,687,197
Project Administrative Costs	59,855,642	35,897,155	39,856,426	135,609,223

NB

10.4a, 10.5a & 10.6a Relates to Tana Water Works Development Agency

10.4b, 10.5b & 10.6b Relates to Northern Water Works Development Agency

The accounting policies and explanatory notes from page 10 to 12 to these financial statements are an integral part of the financial statements.


 Chief Executive Officer

Name: Eng. Moses M. Naivasha

10/8/2020

Date


 Project Coordinator

Name: Arthur Mamo

10/8/2020

Date


 Project Accountant

Name: CPA Nicholas Kariuki

ICPAK Member No: 6863

10/8/2020

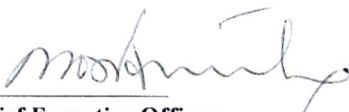
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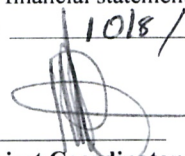
Tana Water Works Development Agency
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For the Financial Year Ended June 30 2020

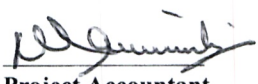
5. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020

	Note	2019-2020	2018-2019
		KES	KES
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10.8A	154,311,607	13,552,950
Cash Balances		-	-
Cash Equivalents (short-term deposits)		-	-
Total Cash and Cash Equivalents		154,311,607	13,552,950
Accounts receivables – Imprest and Advances		-	-
TOTAL FINANCIAL ASSETS		154,311,607	13,552,950
REPRESENTED BY			
Fund balance b/f		-	-
Prior year adjustments		-	-
Surplus/(Deficit) for the year		154,311,607	13,552,950
NET FINANCIAL POSITION		154,311,607	13,552,950

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The financial statements were approved on 10/8/ 2020 and signed by:


Chief Executive Officer
 Name: Eng. Moses M. Naivasha


Project Coordinator
 Name: Arthur Mamo


Project Accountant
 Name: CPA Nicholas Kariuki

10/8/2020
 Date

10/8/2020
 Date

ICPAK Member Number: 6863
10/8/2020
 Date

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
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8. STATEMENT OF CASHFLOW FOR THE PERIOD 30 JUNE 2020

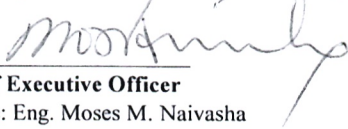
	Note	2019/2020 KES	2018/19 KES
Receipts for Operating Activities			
Transfer from Government Entities	10.3	300,000,000	75,000,000
Payments for Operating Activities			
Purchase of Services	10.5a	(13,099,232)	(7,888,000)
Purchase of Services	10.5b	-	(47,555,285)
Acquisition of Non- Financial Asset	10.6a	(756,029,227)	(100,027,889)
Acquisition of Non- Financial Asset	10.6b	(623,217,361)	(552,023,452)
Project Administrative Costs	10.7	(59,855,642)	(35,897,155)
Net Cash Flow from Operating Activities		(1,152,201,462)	(668,391,781)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10.6	(99,385,701)	(25,549,895)
Net Cash Flows from Investing Activities		(99,385,701)	(25,549,895)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	10.4a	769,128,459	107,915,889
Proceeds from Foreign Borrowings	10.4b	623,217,361	599,578,737
Net Cash Flow from Financing Activities		1,392,345,820	707,494,626
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and Cash Equivalent at Beginning of the Year		13,552,950	-
Cash and Cash Equivalent at End of the Year*		154,311,607	13,552,950

*Reconciliation of Cash and Cash Equivalent at End of the year


Balance b/d	13,552,950
Receipt from Government	300,000,000
Payments	159,241,343
Suplus	154,311,607

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

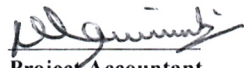
The Project's financial statements were approved on 10/8/2020 and signed by:


Chief Executive Officer
 Name: Eng. Moses M. Naivasha

10/8/2020
 Date


Project Coordinator
 Name: Arthur Mamo

10/8/2020
 Date


Project Accountant
 Name: CPA Nicholas Kariuki
 ICPAK Member No: 6863

10/8/2020
 Date

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
Reports and Financial Statements
For the Financial Year Ended June 30 2020

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

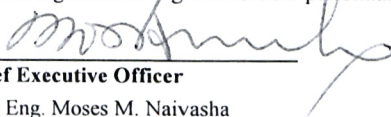
Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=e/c %
Receipts	KES	KES	KES	KES	KES	
Transfer from Government Entities	1,292,147,000	(892,147,000)	400,000,000	300,000,000	100,000,000	25%
Proceeds from Borrowings*	2,551,551,000	(1,649,722,199)	901,828,801	769,128,459	132,700,342	15%
Proceeds from Borrowings**	2,410,948,000	(1,612,776,801)	798,171,199	623,217,361	174,953,838	22%
Total Receipts	6,254,646,000	(4,154,646,000)	2,100,000,000	1,692,345,820	407,654,180	
Payments						
Purchase of Services*	14,000,000	-	14,000,000	13,099,232	900,768	6%
Purchase of Services**		-	-	-	-	0%
Acquisition of Non- Financial Assets*	2,537,551,000	(1,649,722,199)	887,828,801	756,029,227	131,799,574	15%
Acquisition of Non- Financial Assets**	2,410,948,000	(1,612,776,801)	798,171,199	623,217,361	174,953,838	22%
Other Grants and Transfers ***	1,292,147,000	(392,147,000)	400,000,000	159,241,343	240,758,657	60%
Total Payments	6,254,646,000	(3,654,646,000)	2,100,000,000	1,551,587,163	548,412,837	

* Relates to Tana Water Works Development Agency

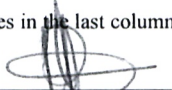
** Relates to Northern Water Works Development Agency

*** This relates to Project counterpart Expenditure

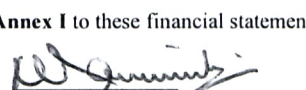
Note: The significant budget utilisation/ performance differences in the last column are explained in **Annex I** to these financial statements.


Chief Executive Officer
 Name: Eng. Moses M. Naivasha

10/8/2020
 Date


Project Coordinator
 Name: Arthur Mamo

10/8/2020
 Date


Project Accountant
 Name: CPA Nicholas Kariuki
 ICPAK Member Number: 6863
10/8/2020
 Date

10.0 NOTES TO THE FINANCIAL STATEMENTS

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

10.1 Basis of Preparation

10.1.1 Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS Financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for;

- a) Receivables that include imprests and salary advances and
- b) Payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

10.1.2 Reporting Entity

The Financial Statements are for the Kenya Towns Sustainable Water Supply and Sanitation Programme under The National Government of Kenya.

10.1.3 Reporting Currency

The financial statements are presented in Kenya Shillings (KES), which is the functional and reporting currency of the Program and all values are rounded to the nearest Kenya Shilling.

10.2 Significant Accounting Policies

a) Recognition of Receipts

The Programme recognises all receipts from African Development Bank (ADB) when the event occurs and the related cash has actually been received by the Contractor/ Consultant.

• Transfers From the Exchequer

Transfer from Exchequer is being recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to Tana Water Works Development Agency.

• External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proceeds from borrowing

Borrowing includes Treasury bill, Treasury bonds, Corporate bonds, Sovereign bonds and External loans acquired by the program or any other debt the program may take on will be treated on cash basis and recognized as a receipt during the year they were received.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary

b) Recognition of Payments

The Project recognises all payments by ADB when the event occurs and the related cash has actually been paid out by African Development Bank (ADB).

- **Compensation of Employees**

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid for.

- **Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid.

- **Interest on Borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they are incurred and paid for.

- **Repayment of Borrowing (Principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

- **Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by TWWDA and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

c) In-kind Donations

In-kind contributions are donations that are made to the Programme in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Programme includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

d) Cash and cash equivalents

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

e) Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or Authority to Incur Expenditure holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

f) Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Project at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and The National Treasury Regulations, as well as by the participating development partners, as detailed in Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the Departments/Ministries and Agencies but receive budgeted funds as transfers and account for them separately. These transfers are recognized as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the Financial Year under review has been included in an annex to these Financial Statements.

h) Third Party Payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties column in the statement of receipts and payments.

During the year KES 1,392,345,820 being loan disbursements was received in form of direct payments from ADB out of which KES 769,128,459 was direct payment for Tana Water Works Development Agency request for payments and KES 623,217,361 direct payment for Northern Water Works Development Agency.

i) Exchange Rate Differences

The accounting records are maintained in Kenya Shillings which is the functional currency of the primary economic environment in which the Program operates. Transactions in foreign currencies during the year/period are converted into the functional currency using the following:

- Goods and Works- exchange rates as provided in the individual contracts.
- Consultancy Services- exchange rate prevailing during tender evaluation.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Comparative Figures

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

k) Subsequent Events

There have been no events subsequent to the Financial year/period end with a significant impact on the financial statements for the year ended June 30, 2020.

l) Errors

Material prior period errors shall be corrected retrospectively in the first set of Financial Statements authorized for issue after their discovery by:

- i) Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- ii) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

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10.3 RECEIPTS FROM GOVERNMENT OF KENYA

These represent Counterpart Funding from Government as follows:

	2019/2020	2018/2019	Previous Year	Cumulative to date
	KES	KES	KES	KES
<i>Counterpart Funding through Ministry of Water, Sanitation and Irrigation</i>				
Counterpart funds Quarter 1	-	25,000,000	6,898,350	31,898,350
Counterpart funds Quarter 2	200,000,000	25,000,000	13,927,835	238,927,835
Counterpart funds Quarter 3	-	25,000,000	4,181,653	29,181,653
Counterpart funds Quarter 4	100,000,000	-	39,866,046	139,866,046
Total	300,000,000	75,000,000	64,873,884	439,873,884

10.4(a) & (b) LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2020 we received funding from ADB in form of loans negotiated by The National Treasury and Donors as detailed in the table below:

Name of Donor	Date received	Amount received in loan currency USD	Loans received in cash	Loans received as direct payment	Total amount in KES	
					FY 2019/2020	FY 2018/2019
			KES	KES	KES	KES
Loans Received from Donors						
(a) Africa Development Bank		7,403,734	-	769,128,459	769,128,459	107,915,889
(b) Africa Development Bank		6,024,670	-	623,217,361	623,217,361	599,578,737
Total		13,428,404		1,392,345,820	1,392,345,820	707,494,626

(a) Relates to Tana Water Works Development Agency

(b) Relates to Northern Water Works Development Agency

10.5 (a) & (b) PURCHASE OF GOODS AND SERVICES

	FY 2019/2020			FY 2018/19	Previous Year	Cumulative to-date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	KES	KES	KES	KES	KES	KES
(a) Utilities, Supplies and Services	-	13,099,232	13,099,232	7,888,000	115,175,789	136,163,021
(b) Utilities, Supplies and Services	-	-	-	47,555,285	75,720,315	123,275,600
Total	-	13,099,232	13,099,232	55,443,285	190,896,104	259,438,621

(a) Relates to Tana Water Works Development Agency

(b) Relates to Northern Water Works Development Agency

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10.6 (a) & (b) ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2019/2020			FY 2018/19	Previous Year	Cumulative to-date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	KES	KES	KES	KES	KES	KES
(a) Acquisition of Land	69,939,317	-	69,939,317	25,549,895	25,017,458	120,506,670
(b) Acquisition of Land	29,446,384	-	29,446,384	-	-	29,446,384
(a) Payments for Works	-	756,029,227	756,029,227	100,027,889	-	856,057,116
(b) Payments for Works	-	623,217,361	623,217,361	552,023,452	-	1,175,240,813
Total	99,385,701	1,379,246,588	1,478,632,289	677,601,236	25,017,458	2,181,250,983

(a) Relates to Tana Water Works Development Agency

(b) Relates to Northern Water Works Development Agency

10.7 OTHER GRANTS AND TRANSFERS AND PAYMENTS

	FY 2019/2020			FY 2018/19	Previous Year	Cumulative to-date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	KES	KES	KES	KES	KES	KES
Project Administrative Costs	59,855,642	-	59,855,642	35,897,155	39,856,426	135,609,223
Total	59,855,642	-	59,855,642	35,897,155	39,856,426	135,609,223

10.8 CASH AND CASH EQUIVALENT CARRIED FORWARD

	2019/2020	2018/2019
	KES	KES
Bank Account (Note 10.8 A)	154,311,607	13,552,950
Cash in Hand (Note 10.8 B)	-	-
Cash and Cash Equivalents (Short-Term Deposit) (Note 10.8 C)	-	-
Total	154,311,607	13,552,950

10.8 A Bank Accounts

Project Bank Accounts

The Agency operates KCB Bank Account A/C No. 1101-998-733 where GoK Grants for development are deposited.

Special Deposit Accounts

The Programme has no Special Deposit Account (SDA)

10.8 B Cash in hand

There was no Cash in hand during the reporting period

10.8 C Cash Equivalents (Short-term Deposit)

There were no Short-term Deposit during the reporting period.

10.9 OUTSTANDING IMPRESTS AND ADVANCES

No Imprest was outstanding as at 30th June 2020.

11.0 OTHER IMPORTANT DISCLOSURES

11.1 PENDING ACCOUNTS PAYABLE – (See Annex 2A)

Description	Balance b/f FY 2018/2019	Additional for the period	Paid during the year	Balance c/f FY 2019/2020
	KES	KES		KES
Construction of Civil Works*	1,020,411,630	461,801,471	1,379,148,009	103,065,092
Supply of Services- Consultancy*	19,909,575	45,763,337	13,099,232	52,573,680
Total	1,040,321,205	507,564,808	1,392,247,241	155,638,772

Balance c/f 2019/2020

	TWWDA	NWWDA	TOTAL
	KES	KES	KES
Works*	103,065,092	-	103,065,092
Consultancy**	41,866,806	10,706,874	52,573,680
Total	144,931,898	10,706,874	155,638,772

11.2 PENDING STAFF PAYABLES (See Annex 2B)

Description	Balance b/f FY 2018/2019	Additional for the period	Paid for the year	Balance c/f 2019/2020
	KES	KES	KES	KES
Senior Management	-	-	-	-
Middle Management	-	-	-	-
Unionisable Employees	-	-	-	-
Total	-	-	-	-

11.3 OTHER PENDING PAYABLES-ACQUISITION OF LAND PENDING ACCOUNTS PAYABLE (See Annex 2C)

Description	Balance b/f FY 2018/2019	Additional for the period	Paid for the year	Balance c/f 2019/2020
	KES	KES	KES	KES
Acquisition of Land Commitment	-	241,688,999	99,385,701	142,303,298
Total	-	241,688,999	99,385,701	142,303,298

11.4 External Assistance

	FY 2019/2020	FY 2018/2019
Description	KES	KES
External assistance received as loans from African Development Bank	1,392,345,820	707,494,626
Total	1,392,345,820	707,494,626

11.4a External assistance relating to loans and grants

	FY 2019/2020	FY 2018/2019
Description	KES	KES
External assistance received as loans from African Development Bank	1,392,345,820	707,494,626
External assistance received as grants	-	-
Total	1,392,345,820	707,494,626

11.4b Undrawn External Assistance

	Purpose for which the undrawn external assistance may be used	FY 2019/2020	FY 2018/2019
Description		KES	KES
Undrawn external assistance- loans	Purchase of services and acquisition of Non-Financial Assets	8,707,420,017	10,099,765,837
Undrawn external assistance- grants		-	-
Total		8,707,420,017	10,099,765,837

11.4c Class of External Assistance

	FY 2019/2020	FY 2018/2019
Description	KES	KES
Multilateral Donor -African Development Bank	1,392,345,820	707,494,626
Total	1,392,345,820	707,494,626

The external assistance was for infrastructure development.

11.4d Purpose and Use of External Assistance

PAYMENTS MADE BY THIRD PARTIES	FY 2019/2020	FY 2018/2019
	KES	KES
Use of Goods and Services	13,099,232	55,443,285
Acquisition of Non -Financial Assets	1,379,246,588	652,051,341
Total	1,392,345,820	707,494,626

11.4e External Assistance paid by Third Parties on behalf of the Entity by Sources

	FY 2019/2020	FY 2018/2019
Description	KES	KES
Multilateral Donor- African Development Bank	1,392,345,820	707,494,626
Total	1,392,345,820	707,494,626

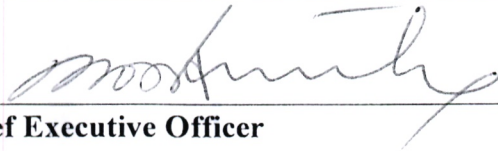
11. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

The following is the summary of issue raised by the Office of the Auditor General, and management comment that were provided to the auditor. We have nominated focal person to resolve the issue as shown below with the associated time frame within which we expect the issue to be resolved.

Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status	Time Frame
	Delayed Project Implementation	<p>All Projects under the Kenya Towns Water Supply and Sanitation Program are Tax Exempt. The respective Project Managers are required to prepare a Tax Exemption Master list for onward submission to the Ministry of Water, Sanitation and Irrigation (MoWSI) by the TWWDA Management. The MoWSI then forwards the same to The National Treasury for approval.</p> <p>Applications for Approval of the Tax Exemption Master list were sought on various dates between December 2018 and March 2019 to date the applications have not been cleared by the National Treasury. The Management has sought for assistance on the same from the African Development Bank during the Supervision Mission held on July 2019 and also the MoWSI through the Project Steering Committee Meetings. The Projects cannot therefore commence as all project materials, consumables and equipment are tax exempt. Approval of the Master list shall unlock the commencement of implementation of the Project Components.</p>	Eng M. M. Naivasha - Chief Executive Officer	<p>Tax exemption Master list were approved by The National Treasury and Planning on the following dates;</p> <p>i) Kerugoya Kutus Sewerage project- 10/3/2020 ii) Kerugoya Kutus Water Supply Project - 29/1/2020 iii) Mandera Sewerage- 2/3/2020 iv) Marsabit Water- 2/3/2020 v) Marsabit Sewerage- 2/3/2020 vi) Chogoria Water Project- 10/3/2020 vii) Othaya Sewerage Project-5/5/2020 viii) Meru Sewerage- 2/3/2020 Murang'a South-23/4/2020 ix) Murang'a</p>	

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Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status	Time Frame
		The Program has further been affected by inadequate GOK Counterpart fund allocation for Land Acquisition by The National Treasury. This has hindered access to various Project sites which to date have not been handed over to the works Contractors. Release of the same will facilitate handing over of the sites to the Works Contractors. Cost overruns are unlikely as the Contractors will be granted Extension of time without cost for the delayed implementation period.		Urban-23/4/2020 x) Mandera Water-17/4/2020 xi) Chogoria Sewerage-2/3/2020 xii) Chuka Sewerage-10/3/2020 The overall progress of the programme is at 15%.	




Chief Executive Officer

Name: Eng. Moses M. Naivasha

10/8/2020

Date



Project Coordinator

Name: Arthur Mamo

10/8/2020

Date

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Variance to Final Budget	Comments on Variance
	a	b	c=a-b	d=c/a %	
RECEIPTS DURING THE YEAR/PERIOD	KES	KES	KES		
Government of Kenya	400,000,000	300,000,000	100,000,000	25%	The -ve variance of KES 100,000,000 is the amount for the 4 th quarter which was not disbursed by the Ministry of Water, Sanitation and Irrigation by 30th June 2020.
External financing	1,700,000,000	1,392,345,820	307,654,180	18.10%	The variance of KES 307,654,180 relates to Payments submitted by TWWDA to the Ministry of Water, Sanitation and Irrigation for onward transmission to The National Treasury and ADB which remained transit during the reporting period
Total Receipts	2,100,000,000	1,692,345,820	407,654,180		
PAYMENTS DURING THE YEAR/PERIOD					
Purchase of Services*	14,000,000	13,099,232	900,768	6%	The variance KES 900,768 relates Consultancy Payments submitted by TWWDA to the Ministry of Water, Sanitation and Irrigation for onward transmission to The National Treasury and ADB which remained transit during the reporting period.
Purchase of Services**	-	-	-	0%	
Acquisition of Non-Financial* Assets	887,828,801	756,029,227	131,799,574	15%	The variance of KES 131,799,574 is as result of Payments submitted by TWWDA to the Ministry of Water, Sanitation and Irrigation for onward transmission to The National Treasury and ADB which remained transit during the reporting period.
Acquisition of Non-Financial Assets**	798,171,199	623,217,361	174,953,838	22%	The variance of KES 174,953,838 is as result of Payments submitted by TWWDA to the Ministry of Water, Sanitation and Irrigation for onward transmission to The National Treasury and ADB which remained transit during the reporting period.
Project Counterpart Expenditure	400,000,000	159,241,343	240,758,657	60%	The +ve variance of KES 240,758,657 is the commitment for acquisition of land , way leave and crop compensation of KES 142,303,298. However the remaining balance of KES 98,455,359 could not be committed due to delay in disbursement of funds for the 4 th Quarter.
Total Payments	2,100,000,000	1,551,587,163	548,412,837		

ANNEX 2A - ANALYSIS OF PENDING BILLS

	Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
		KES		KES	KES	KES	
A Construction of civil works- TWWDA							
1	Nanchang Municipal Engineering Development Group Company Limited	231,979,720	04-12-18	231,979,720	-	231,979,720	
2	Zhonghao Overseas Construction Engineering Company Ltd	166,792,790	21-01-19	166,792,790	-	166,792,790	
3	Oriental Construction Co Ltd	114,863,413	21-01-19	114,863,413	-	114,863,413	
4	Toddy Civil Eng Co Ltd	174,901,308	12-02-18	174,901,308	-	174,901,308	
	Sub-Total	688,537,231		688,537,231		688,537,231	
B Supply of services-TWWDA							
1	Ecoste	5,211,232	30-06-20	-	5,211,232	-	
2	Mangat I B Patel	48,677,149	30-06-20	12,021,575.00	36,655,574	12,021,575	
3	CAS Consulting Ltd	7,888,000	09-04-19	7,888,000.00	-	7,888,000	
	Sub-Total	61,776,381		19,909,575	41,866,806	19,909,575	
C Construction of civil works- NWWDA							
1	Sinohydro Corporation Ltd	103,065,092	30-06-20	-	103,065,092		
2	Concordia Building and Civil Eng Co Ltd	28,720,100.00	04-02-19	28,720,100.00	-	28,720,100	
3	Suhuff Agencies Ltd	284,029,409	14-02-19	284,029,409.0	-	284,029,409	
4	Dido and Sons Ltd	19,124,890	10-04-19	19,124,890.0	-	19,124,890	
	Sub-Total	434,939,491		331,874,399	103,065,092	331,874,399	
D Supply of services-NWWDA							
	Runji Consultancy	10,706,874	26-02-20		10,706,874	-	
	Sub-Total	10,706,874			10,706,874		
	Total	1,195,959,977		1,040,321,205	155,638,772	1,040,321,205	

ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

During the Financial year 2019/2020 there was no pending staff bills

ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

	Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
			a	b	c	d=a-c		
	Amounts due to Third Parties		KES		KES	KES	KES	
A Chuka Sewerage Project								
1	P Mugambi E. Mwiandi - Land L.R. Karingani/Ndagani/6679	Land acquisition for Chuka Sewerage project.	4,230,134	5-Mar-20	1,932,054.00	2,298,080	-	60% of Value of Land.
2	Murungi MTuruchiu - Land L.R. Karingani/Ndagani/11676	Land acquisition for Chuka Sewerage project.	1,065,777	5-Mar-20	465,311.00	600,466	-	60% of Value of Land.
3	Eliphas Mbae - Land L.R. Karingani/Ndagani/6678	Land acquisition for Chuka Sewerage project.	1,247,777	5-Mar-20	647,311.00	600,466	-	60% of Value of Land.
4	Rose Koje Ndubi- Land L.R. Karingani/Ndagani/4243	Land acquisition for Chuka Sewerage project.	7,243,115	5-Mar-20	4,692,987.00	2,550,128	-	60% of Value of Land.
5	Selestino Mugambi Muthitha - Land L.R. Karingani/Ndagani/1939	Land acquisition for Chuka Sewerage project.	2,269,460	5-Mar-20	1,368,528.00	900,932	-	60% of Value of Land.

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	Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
6	Boniface Nyaga Njau - Land L.R. Karingani/Ndagani/11677	Land acquisition for Chuka Sewerage project.	8,296,928	5-Mar-20	5,138,921.00	3,158,007	-	60% of Value of Land.
7	Samson Kithinji Muthamia - Land L.R. Karingani/Ndagani/11545	Land acquisition for Chuka Sewerage project.	1,776,348.00	5-Mar-20	1,561,366.00	214,982	-	60% of Value of Land.
8	Mwai George M Karangi - Land L.R. Karingani/Ndagani/4266	Land acquisition for Chuka Sewerage project.	1,126,801.00	5-Mar-20	-	1,126,801	-	60% of Value of Land.
9	Henry Kithinji - Land L.R. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage project.	12,024,685.00	5-Mar-20	11,701,200.00	323,485	-	60% of Value of Land.
10	Jediline Muthoni - Land L.R. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage project.	420,710.00	5-Mar-20	192,253.00	228,457	-	60% of Value of Land.
11	Eliphira Kinyua - Land L.R. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage project.	331,710.00	5-Mar-20	151,583.00	180,127	-	60% of Value of Land.
12	Janet Mwendu - Land L.R. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage project.	331,710.00	5-Mar-20	151,583.00	180,127	-	60% of Value of Land.
13	Purity Murugi - Land L.R. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage project.	331,710.00	5-Mar-20	151,583.00	180,127	-	60% of Value of Land.
14	Julius Mbabu Findenzio- Land L.R. Karingani/Ndagani/11546	Land acquisition for Chuka Sewerage project.	3,779,824.00	5-Mar-20	3,386,927.00	392,897	-	60% of Value of Land.
15	Mary Njeri - Land L.R. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage project.	200,005.00	5-Mar-20	91,397.00	108,608	-	60% of Value of Land.
16	Doras Njeri Kiambo Land L.R. Karingani/Ndagani/4267	Land acquisition for Chuka Sewerage project.	319,837.00	5-Mar-20	197,698.00	122,139	-	60% of Value of Land.
17	Mary Muthoni Njagi Land L.R. Karingani/Ndagani/4267	Land acquisition for Chuka Sewerage project.	319,837.00	5-Mar-20	197,698.00	122,139	-	60% of Value of Land.
18	Abisalom Mugambi Land L.R. Karingani/Ndagani/4267	Land acquisition for Chuka Sewerage project.	859,837.00	5-Mar-20	531,482.00	328,355	-	60% of Value of Land.
19	Simon Munene Land L.R. Karingani/Ndagani/4267	Land acquisition for Chuka Sewerage project.	1,204,839.00	5-Mar-20	744,734.00	460,105	-	60% of Value of Land.
20	Javanson Kamothe Land L.R. Karingani/Ndagani/4267	Land acquisition for Chuka Sewerage project.	714,228.00	5-Mar-20	441,478.00	272,750	-	60% of Value of Land.
21	Paul Muchiri Kiambo Land L.R. Karingani/Ndagani/4267	Land acquisition for Chuka Sewerage project.	852,114.00	5-Mar-20	526,708.00	325,406	-	60% of Value of Land.
	SubTotal for Chuka Sewerage		48,947,386		34,272,802	14,674,584		

	Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
B Chogoria Sewerage Project								
1	Stephen Kiraithe - Land LR.WIMBI/KIRARO/151	Chogoria Sewerage land Commitment	4,001,013	4-Mar-20	1,984,633.00	2,016,380	-	60% of Value of Land.
2	Nkonge Kitharia - Land LR.WIMBI/KIRARO/670	Chogoria Sewerage land Commitment	1,584,784	4-Mar-20	1,037,693.00	547,091	-	60% of Value of Land.
3	Ashford Miti Mjurianki - Land LR.WIMBI/KIRARO/665	Chogoria Sewerage land Commitment	1,159,579	4-Mar-20	625,832.00	533,747	-	60% of Value of Land.
4	Esther Ntagana Mutua Land LR. MWIMBI /KIRARO/556	Land acquisition for Chogoria Sewerage project.	2,913,738	4-Mar-20	1,312,495.00	1,601,243	-	60% of Value of Land.
5	Maingi Chambari - Land LR.WIMBI/KIRARO 657	Land acquisition for Chogoria Sewerage project.	2,235,717	4-Mar-20	1,168,222.00	1,067,495	-	60% of Value of Land.
6	Japhet Mwambia Mukinda - Land LR.WIMBI/KIRARO/732	Land acquisition for Chogoria Sewerage project.	2,446,343	4-Mar-20	978,537.00	1,467,806	-	60% of Value of Land.
7	Julian Riungu - Land LR.WIMBI/KIRARO/599	Land acquisition for Chogoria Sewerage project.	4,892,687	4-Mar-20	1,957,075.00	2,935,612	-	60% of Value of Land.
8	Beatrice Nkuene - Land LR.WIMBI/KIRARO/655	Land acquisition for Chogoria Sewerage project.	1,334,369	4-Mar-20	533,748.00	800,621	-	60% of Value of Land.
9	Wilfred Katheriya - Land LR.WIMBI/KIRARO/656	Land acquisition for Chogoria Sewerage project.	1,556,764	4-Mar-20	622,706.00	934,058	-	60% of Value of Land.
10	Jackchin Kithuci Lr MWIMBI/MURUGI/2320	Land acquisition for Chogoria Sewerage project.	3,040,000	4-Mar-20	1,315,000.00	1,725,000	-	60% of Value of Land.
11	Beatrice Kaari- Land LR.MWIMBI/MAGU TUNI/1588	Land acquisition for Chogoria Sewerage project.	2,890,466	4-Mar-20	2,530,186.00	360,280	-	60% of Value of Land.
SubTotal for Chogoria Sewerage Project			28,055,460		14,066,127	13,989,333		
C Marsabit Sewerage Project								
1	Saleh Salim M Addula- Land LR. Marsabit/Mountain/538	Land acquisition for Marsabit Sewerage project.	46,362,750	19-Feb-20	9,297,750	37,065,000	-	80% of Value of Land
2	Hassan Salim Mohamed- Land LR. Marsabit/Mountain/56	Land acquisition for Marsabit Sewerage project.	46,362,750	19-Feb-20	9,297,750	37,065,000	-	80% of Value of Land
3	Yusuf Ote Soke- Land LR. Marsabit/Mountain/55	Land acquisition for Marsabit Sewerage project.	46,436,750	19-Feb-20	9,371,750	37,065,000	-	80% of Value of Land
SubTotal Marsabit Sewerage Project			139,162,250		27,967,250	111,195,000		
Grand Total for Land Acquisition			216,165,096	-	76,306,179	139,858,917		

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Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
Others							
Legal Fees							
Gichuhi Mwangi	Legal Fees for Chuka Sewerage	1,426,099	11-05-20	811,882.00	614,217	-	50% Balance for drawing of land sale agreement for Chuka Sewerage
Mithega K & Advocates	Legal Fees for Marsabit Sewerage	2,796,522	04-03-20	1,479,134.00	1,317,388	-	50% Balance for drawing of land sale agreement for Marsabit Sewerage
Mithega Kariuki	Legal Fees for Chogoria Sewerage	1,068,803	04-03-20	556,027.00	512,776	-	50% Balance for drawing of land sale agreement for Chogoria Sewerage
Sub-Total Legal Fees		5,291,424		2,847,043	2,444,381		
Grand Total for Land Acquisition and Legal Fees as at 30/6/2020		221,456,520		79,153,222	142,303,298		

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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost	Purchases/Additions in the Year	Disposals in the Year	Transfers in/(out)	Closing Cost
	2019/2020 (KES) (a)	2019/2020 (KES) (b)	2019/2020 (KES) (c)	2019/2020 KES (d)	2019/2020 (KES) (e)= (a)+ (b)-(c)+(-)d
Land	50,567,353	99,385,701	-	-	149,953,054
Total	50,567,353	99,385,701	-	-	149,953,054

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APPENDICES

S/ No.	Particulars	Remarks
1	Signed confirmations from beneficiaries in Transfers to Other Government Entities	N/A
2	Bank Reconciliations	N/A
3	Cash Count Certificate	N/A
4	Special Deposit Account(s) reconciliation statement(s)	N/A

