



Harambee Maji, Borisha Maisha

NATIONAL WATER HARVESTING & STORAGE AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE, 2024

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

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

Table of Contents

	Page
1. ACRONYMS AND DEFINITION OF KEY TERMS	iii
2. KEY AUTHORITY INFORMATION AND MANAGEMENT	iv
3. THE BOARD OF DIRECTORS	x
4. KEY MANAGEMENT TEAM.....	xvi
5. CHAIRMAN'S STATEMENT	xix
6. REPORT OF THE CHIEF EXECUTIVE OFFICER.....	xxi
7. STATEMENT OF THE AUTHORITY'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2023-2024.....	xxiii
8. CORPORATE GOVERNANCE STATEMENT.....	xxx
9. MANAGEMENT DISCUSSION AND ANALYSIS	xxxvi
10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xxxviii
11. REPORT OF THE DIRECTORS	xl
12. STATEMENT OF DIRECTORS' RESPONSIBILITIES	xli
13. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF NATIONAL WATER HARVESTING & STORAGE AUTHORITY	xlii
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2024.....	1
15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2024.....	2
16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE, 2024.....	3
17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2024	4
18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2024	5
19. NOTES TO THE FINANCIAL STATEMENTS	7
20. APPENDICES.....	34

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

1. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
MWS&I	Ministry of Water, Sanitation & Irrigation
NWWSA	National Water Harvesting & Storage Authority
TOR	Terms of Reference
AC	Audit Committee
BETA	Bottom-Up Economic Transformation Agenda
TNA	Training Needs Assessment

B: Glossary of Terms

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

Comparative Year- Means the prior period.

2. KEY AUTHORITY INFORMATION AND MANAGEMENT

(a) Background information

National Water Harvesting and Storage Authority is established under Section 30 of the Water Act 2016. Section 149 of the Water Act 2016 transformed the Authority from National Water Conservation & Pipeline Authority (NWCPC) which was established under the State Authority's Act Chapter 446 of the Laws of Kenya vide Legal Notice No. 270 of 24th June, 1988.

Vision

"To be the premier authority in water infrastructure development and management in Kenya and beyond."

Mission

"Developing and managing national water works infrastructure towards enhancing water security, flood mitigation and storage for multipurpose use."

(b) Principal Activities

The Authority's Mandate and functions as stipulated in Section 32 of the Water Act 2016 are as follows.

(1) The functions and powers of the Water Storage Authority shall be to: -

- a) Undertake on behalf of the national government, the development of national public water works for water resources storage and flood control;
- b) Maintain and manage national public water works infrastructure for water resources storage;
- c) Collect and provide information for the formulation by the Cabinet Secretary of the national water resources storage and flood control strategies;
- d) Develop a water harvesting policy and enforce water harvesting strategies;
- e) Undertake on behalf of the national government strategic water emergency interventions during drought; and
- f) Advise the Cabinet Secretary on any matter concerning national public water works for water storage and flood control.

(2) The Water Storage Authority may appoint agents for the operation, management, maintenance and safety of any storage infrastructure that it has developed.

(3) The Water Storage Authority shall have such other powers and functions as may be conferred or imposed on it by this or any other Act

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

KEY AUTHORITY INFORMATION AND MANAGEMENT (Continued)

(c) Key Management

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

- Board of Directors
- Accounting officer/Chief Executive Officer
- Management

No.	Designation	Name
1	Chairman of the Board	CPA. Symon Kimaru Maina
2	Secretary to the Board & Acting Chief Executive Officer	Eng. Julius K. Mugun PE, MIEK, MCI Arb
3	Representing Principal Secretary, State Department of Irrigation	David Yatich Kipkemei (Retired)
4	Representing Principal Secretary, State Department of Irrigation	Mr. Ian Thandi Githae
5	Representing Principal Secretary, State Department of Water & Sanitation	Eng. S.A.O Alima
6	Representing Inspectorate of State Corporations	Chrisologus Makokha
7	Representing Principal Secretary, National Treasury & Planning	Abraham Koech
8	Representing Principal Secretary, Lands and Physical Planning	Cyrus Muriithi Mbogo (Retired)
9	Independent Member	Amina Shaban Mohammed
10	Independent Member	Bernard Kipsengeret Koros
11	Independent Member	Simon Ngugi Mwhaki
12	Independent Member	Rogers K. Chepkwony
13	Independent Member	Mwololo Benjamin Kyalo
14	Manager, Legal Services	CS. Sharon Obonyo
15	General Manager, Infrastructure Development & Emergency Response (Acting)	Mr. Robert Nthenge
16	Manager, Finance & Accounts	CPA. Margaret Kithunzi
17	Manager, Infrastructure Planning & Design	Duncan Ondulo
18	Manager, Human Resource & Administration	CS. Joseph Ojiambo
19	Manager, Supply Chain	John Musyoka
20	Manager, Internal Audit	CPA. Philip Nzengu

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

(d) Fiduciary Management

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

No.	Name	Designation
1	Chief Executive Officer (Acting)	John K. Muhia (P. Eng. Tech.)
2	Principal Legal Officer	CS. Doris Mwangi
3	General Manager, Infrastructure Development & Emergency Response	Eng. Julius K. Mugun PE, MIEK, MCI Arb (Acting)
4	General Manager, Finance	CPA. Patrick Ataro (Exited on 31st May 2024)
5	Manager, Finance & Accounts	CPA. Margaret Kithunzi
6	Manager, Infrastructure Planning & Design	Duncan Ondulo
7	Manager, Human Resource & Administration	CS. Joseph Ojiambo
8	Manager, Supply Chain	John Musyoka
9	Manager, Internal Audit	CPA. Philip Nzengu

(e) Fiduciary Oversight Arrangements

i) Human Resource, Administration and Governance Committee

The Committee comprises of four directors (one of them as Chairman) and the Chief Executive Officer as the Secretary. The Committee has the following duties and responsibilities, as well as such other duties and responsibilities as it deems appropriate to carry out its purposes or as directed by the Board:

- a) Human Resource Planning by ensuring there is a staff establishment; the right number and quality of staff with relevant skills; and succession planning;
- b) Development of the Authority's Organizational Structure;
- c) Recommend to the Board the recruitment and selection and retention of staff with the relevant knowledge, skills and abilities;
- d) Training and development of employees to improve organizational productivity;
- e) Ensure that the employees are rewarded through an Employee Merit Reward System and that the employees' salaries are constantly reviewed and they are provided with better incentives and benefits
- f) Ensure that there are disciplinary and grievance-handling procedures in place outlining how they are administered
- g) General Staff Welfare – Ensure that the employees have conducive work environment, health and safety;
- h) Handle policy issues on Human Resource and Administration, Legal and Corporate Communications;
- i) Oversee the implementation of change process plans in the organization;
- j) Ensure compliance with statutory requirements, provisions of Water Act, 2016 and any written law;

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

- k) Interpret circulars and regulations that may be issued from time to time from the Government;
- l) Review and make recommendations on policy issues on Human Resources Management, Transport, Corporate Communications and Corporate Social Responsibility;
- m) Review and make recommendations on legal issues and disputes touching on the Authority;
- n) Promote effective communication within and with all stakeholders;
- o) Ensuring effectiveness and efficiency of the Board Secretariat

ii) Finance Committee

The Committee comprises of five directors (one of them as Chairman) and the Chief Executive Officer as the Secretary. The Committee has the duties and responsibilities of:

- A. Making recommendations for Board approval and/or delivering reports to the Board in the following areas:
 - i) Annual operating and capital budget;
 - ii) Annual audited financial statements;
 - iii) Policies related to financial management;
 - iv) Procedures for disposal of Authority property;
 - v) Authority's procurement plan based on the Procurement Budget; and
 - vi) Continuous effectiveness of the ICT and ERP systems.
- B. Providing information to the Board on:
 - a. Significant financial planning, management and reporting issues;
 - b. Interim financial reports;
 - c. Authority assets and liabilities; and
 - d. Budgetary control and financial management system for the Authority.

The Committee meets on quarterly or need basis.

iii) Audit Committee

This Committee comprises of four directors (one of them as Chairman) and the secretary is the Chief Internal Auditor. The Board of Directors of the National Water Harvesting and Storage Authority has established the Audit Committee to:

- (a) Support the Accounting Officers with regard to their responsibilities for issues of risk, control and governance and associated assurance but the responsibility over the management of risk, control and governance processes remains with the management of the concerned entity; and
- (b) Follow up on the implementation of the recommendations of internal and external auditors.

The functions and responsibilities of the Authority's audit committee will generally be to provide oversight to and advice in the following areas:

1. Internal Control System;
2. Governance structures;
3. Risk management;
4. Financial statements;
5. Compliance requirements;
6. Internal audit, including approval of annual work plans;

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

7. External audit;
8. Other related functions including review of entity's performance framework; relevant parliamentary committee reports and recommendations; and portfolio responsibilities; and
9. Review the Terms of Reference (TOR) of the AC and ensure that the functions are clearly defined therein.

The Committee meets on quarterly or need basis.

iv) Strategy, Technical & Business Committee

The Committee comprises of five directors (one of them as Chairman) and the Chief Executive Officer as the Secretary. The Committee shall have the following duties and responsibilities, as well as such other duties and responsibilities as it deems appropriate to carry out its purposes or as directed by the Board:

- a) Review strategies, plans and service charters for attaining the Authority's Service Delivery Objectives;
- b) Give policy direction in the development of the Authority's Strategic Plan/ Business Plan and monitoring its implementation;
- c) Review ISO certification procedures manuals;
- d) Give policy direction in development of pro-poor approaches and community involvement in projects;
- e) Approval of project work plans and Performance Contract targets;
- f) Approve the Quarterly Performance Contract Progress Reports;
- g) Review proposals and plans for infrastructure development and improvement;
- h) Consider, evaluate and review progress of implementation for infrastructure development programs;
- i) Consider, evaluate and review performance of outsourced works;
- j) Consider and evaluate the use of new and appropriate technologies in provision of water storage facilities;
- k) Ensure compliance by the Authority with statutory regulations relating to the Environment and Water Resources Management;
- l) Review and give policy direction on proposals for water harvesting policy and enforcement of water harvesting strategies;
- m) To receive, examine and approve implementation of new/proposed projects as well as reports on the applications of new technologies;
- n) Where necessary on sample basis visit projects under implementation to access progress and recommend the way forward or any action plans;
- o) To receive deliberate on and give guidance on policy matters with respect to progress reports on the on-going projects;
- p) To discuss any other relevant matters that pertains to the technical operations of the Authority;
- q) To discuss and promote activities geared towards the generation of income by the Authority and the Authority's self-sustainability;
- r) To review the Authority's performance in terms of operation, managing and maintenance of the Authority's projects; and
- s) To discuss any other business arising from the Strategy, Technical and Business Development committee.

The Committee meets on quarterly or need basis.

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

KEY AUTHORITY INFORMATION AND MANAGEMENT (Continued)

(f) Headquarters

National Water Plaza
P.O. Box 30173
GPO 00100
Dunga Road, Industrial Area
Nairobi, Kenya.

(g) Contacts

Telephone: (254) (020) 6964000)
Hotline: (254) 020 696 4000/1
E-mail: info@waterauthority.go.ke
Website: www.waterauthority.go.ke

(h) Bankers

Kenya Commercial Bank
P.O. Box 30081
GPO 00100
Nairobi, Kenya

Equity Bank Kenya
9th Floor, Equity Centre,
Hospital Road, Upper Hill.
P.O. Box 75104-00200
Nairobi, Kenya.

(i) Independent Auditors

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

(j) Principal Legal Adviser

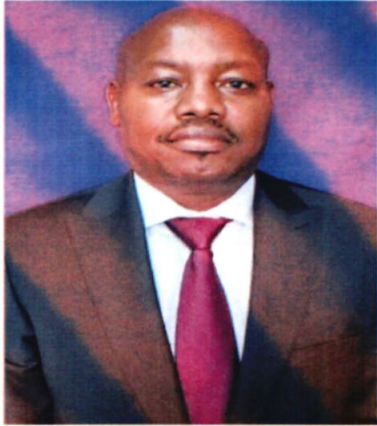
The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

3. THE BOARD OF DIRECTORS

 <p>Date of Birth: 16th December, 1975</p>	<p>Mr. Symon Kimaru Maina <i>Chairman – Board of Directors</i> Appointed on: 16th June 2023</p> <p>Key Qualifications Master’s Degree in Public Policy and Administration Bachelor of Commerce (University of Nairobi) CPA- K</p> <p>Work Experience He is currently the Secretary General of the African Independent Pentecostal Church of Africa (AIPCA) since 2017 to date. Previously, he served as Finance Advisor albeit on part time basis and Accountant at Goldmark Real Estate & Property Management; Project Manager at Diversity Micro Credit Ltd.; and Financial Controller at the Automobile Association of Kenya where he deputized the Director General on Management matters and was privileged to sit in the Finance and HR Committee of the Board of Directors.</p> <p>Mr. Maina has a positive and cooperative attitude as witnessed in his leadership style. He has expertise in public policy, finance, accounting, financial auditing, procurement, strategic management, project management and human resource management. His expertise has been acquired through holding senior management positions such as financial services, automobile services real estate & property management services and spiritual services in religious organization, among others.</p>
 <p>Date of Birth: 7th July, 1969</p>	<p>John K. Muhia (P. Eng. Tech.) <i>Ag. Chief Executive Officer</i> Appointed on: 29th March, 2023 Retired on: 29th September, 2024</p> <p>Key Qualifications MSC – Water & Sanitation Registered by Kenya Engineering Technology Registration Board</p> <p>Work Experience 2023 Feb– Assistant Director Bulk Water Management 2020 May – 2022 Jan – Project Coordinator – AWWDA 1991 – 2020 – Has held various positions</p> <p>Secretary to the Board</p>

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**



Date of Birth: 4th November, 1969

Mr. David Yatich Kipkemei

Representative: Principal Secretary, State Department of Irrigation

Appointed on: 16th March 2023 Retired on: 6th August 2024

Key Qualifications

Masters of Rural Sociology Community Development.
Bachelor in Rural Sociology and Community Development.
Post Graduate Diploma in United Nations and International Understanding.
Diploma in International Relations
Strategic Leadership Course (ksg).
Senior Management Course (ksg).
Advanced Public Administration Course (ksg).
Understanding and analyzing the Public Sector Budget (Esami).
Investment Analysis (Esami).
Para Military Course

Work Experience

Currently - Administration Secretary - State Department of Irrigation

26 years' experience in Administration raising from the rank of District Commissioner to County Commissioner.



Date of Birth: 8th August, 1968

Mr. Ian Thandi Githae

Representative: Principal Secretary, State Department of Irrigation

Appointed on: 15th August, 2024

Key Qualifications

Master of Science by thesis (in Engineering Hydrology);
UNESCO-IHE. Delft, The Netherlands. September, 1998.
Thesis Title "Groundwater Modelling as A Tool for Water Balance Assessment: Case Study Lake Elementaita -Lake Nakuru Basin"

Bachelor of Science, Geology Major Honours, Degree
College Of Biological and Physical Sciences, University
of Nairobi. September, 1992

Geological Society of Kenya. M/No 467;
Founder Member Society of Peaceful Application of Nuclear Science-
Kenya;
Member Institution of Hydrologists of Kenya

Work Experience

*Currently - Director, Climate Resilience for Water and Food Security
2024*

Ag. Director, Land Reclamation: 2022 to 2024
Deputy Director Land Reclamation: 2017 to 2022:
Assistant Director Land Reclamation: 2009 to 2017:



**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

 <p>Date of Birth: 15th December 1968</p>	<p>Eng. S.A.O Alima, EBS <i>Representative: Principal Secretary, State Department of Water & Sanitation</i></p> <p>Appointed on: 3rd October 2023</p> <p>Key Qualifications MSC (Civil Engineering) MBA (Operations Management) BSC (Civil Engineering)</p> <p>Work Experience Currently - Water Secretary - Ministry of Water, Sanitation & Irrigation</p>
 <p>Date of Birth: 10th November 1969</p>	<p>Mr. Chrisologus Makokha <i>Representative of Inspectorate of State Corporations</i></p> <p>Appointed on:</p> <p>Key Qualifications Master of Business Administration Bachelor of Science (Applied Statistics with IT)</p> <p>Work Experience Currently - Inspectorate of State Authorities</p>
 <p>Date of Birth: 21st April, 1969</p>	<p>Mr. Abraham Koech <i>Representative: Principal Secretary, National Treasury & Planning</i></p> <p>Appointed on: 18th September, 2023</p> <p>Key Qualifications Master's degree in Strategic Management – JKUAT Bachelor of Arts degree - UoN.</p> <p>Work Experience He is the Assistant Director of investment at the Government Investments and Public Enterprises Department of the National Treasury. He has also served as the Deputy Head of Strategy and Change at Postbank.</p> <p>He is highly experienced in Policy and Financial Analysis, Project Management, Strategic Management, Leadership, Corporate Governance and Quality Management Systems.</p>

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

 <p>Date of Birth: 14th April 1969</p>	<p>Mr. Cyrus Muriithi Mbogo <i>Representative: Principal Secretary, Lands and Physical Planning</i></p> <p>Appointed on: 7th June 2021</p> <p>Key Qualifications Master of Arts (Project Planning Management) Bachelor of Arts (Economics and Mathematics - Statistics)</p> <p>Work Experience <i>Currently - Director of Planning - State Department of Lands and Physical Planning</i></p> <p>1997 to date: Economist in GoK 1996 to date: Chairman Secondary School(s) Board of Management</p>
 <p>Date of Birth: 6th April, 1989</p>	<p>Amina Shaban Mohammed <i>Independent Member</i></p> <p>Appointed on: 16th June 2023</p> <p>Key Qualifications Bachelor of Business Administration degree, specializing in Procurement - Kenya Methodist University Diploma in Procurement from the Chartered Institute of Purchasing and Supply Chain.</p> <p>Work Experience Ms. Mohammed has extensive administrative, customer service & procurement experience and understands the working of government. She is a proactive team player who has proven ability to forge and maintain business relationships with stakeholders and decision makers across various sectors of the economy.</p> <p>She prides herself in community involvement and project management skills.</p> <p>She was the Chairperson of the Human Resource, Administration and Governance Board Committee</p>
 <p>Date of Birth: 10th October, 1975</p>	<p>Bernard Kipsengeret Koros <i>Independent Member</i></p> <p>Appointed on: 16th June 2023</p> <p>Key Qualifications PhD in Toxicology Masters in and Pharmacology and Toxicology Masters in Public Health Bachelors of Public Health</p>

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

	<p><i>Work Experience</i></p> <p>Member of the National Assembly- 12th Parliament Scientist- Kenya Medical Research Institute for 15 years Lecturer- Jomo Kenya University of Agriculture and Technology- 6 years Consultant- Monitoring and Evaluation of Programmes and Projects</p> <p>He was the Chairperson of the Audit Board Committee</p>
 <p>Date of Birth: 24th June, 1985</p>	<p>Simon Ngugi Mwhiki <i>Independent Member</i></p> <p>Appointed on: 16th June 2023</p> <p><i>Key Qualifications</i></p> <p>Pursuing studies in County Governance - Mount Kenya University</p> <p><i>Work Experience</i></p> <p>He has previously worked with NG-CDF Kikuyu Constituency as Chairman as well as Project Manager where, together with others, he established projects to be funded in line with the needs; prepared project proposals; and organized stakeholders' engagements (for public participation) and project commissioning.</p> <p>He has also been the Chairman and Member of the Evaluation Committee of the Constituency's Rural Roads program where he was part of the team that prioritized and inspected/supervised road maintenance and repairs.</p> <p>He has further been a manager at the Child Fund Kenya, Kikuyu Branch.</p> <p>He was the Chairperson of the Finance Board Committee</p>
 <p>Date of Birth: 7th July 1971</p>	<p>Rogers K. Chepkwony <i>Independent Member</i></p> <p>Appointed on: 16th June 2023</p> <p><i>Key Qualifications</i></p> <p>Bachelor of Science – Double Math and Computer Science</p> <p><i>Work Experience</i></p> <p>He was the Chairperson of the Strategy, Technical & Business Development Board Committee</p>

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**



Date of Birth: 2nd January, 1978

Mwololo Benjamin Kyalo

Independent Member

Appointed on: 28th July 2023

Key Qualifications

Master of Arts – Design (Ongoing at UoN)

Bachelor of Education (Arts) – Kenyatta University

Work Experience

2019 to date: Director – Beams Co. Limited

2016 - 2018: Lecturer Fine Arts & Design & Examinations Officer
Murang'a Teachers Training College

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

4. KEY MANAGEMENT TEAM

	<p>John K. Muhia <i>Former Acting Chief Executive Officer</i></p> <p>Appointed on: 29th March, 2023 Retired on: 29th September, 2024</p> <p>Key Qualifications MSC – Water & Sanitation Registered by Kenya Engineering Technology Registration Board</p> <p>Work Experience 2023 Feb – Assistant Director Bulk Water Management 2020 May – 2022 Jan – Project Coordinator – AWWDA 1991 – 2020 – Has held various positions</p> <p>Secretary to the Board</p>
	<p>Eng. Julius K. Mugun PE, MIEK, MCI Arb <i>Ag Chief Executive Officer</i></p> <p>Appointed on: 30th September, 2024</p> <p>Key Qualifications Master of Science in Geotechnical Engineering Bachelor of Science in Civil Engineering</p> <p>Registered with Engineers Board of Kenya Corporate Member of IEK Corporate member of Chartered Institute of Arbitrators Associate Member of Panel Association of Kenya.</p>
	<p>CS. Sharon Obonyo <i>Manager, Legal Services</i></p> <p>Key Qualifications Advocate of High Court of Kenya Commissioner for Oaths Master of Public Policy Management (finalist) Bachelor of Laws (LLB) Post Graduate Diploma in Law (KSL)</p>

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

	<p>Mr. Robert Nthenge <i>Ag GM, Infrastructure Development & Emergency Response</i></p> <p>Key Qualifications Master of Arts in Economics Bachelor of Arts in Economics</p> <p>Registered with Economist Society of Kenya APTAK.</p>
	<p>CPA. Patrick Ataro <i>Former General Manager, Finance</i></p> <p>Key Qualifications Master's degree in Business Administration (MBA) Finance option Bachelor of Commerce Degree (Accounting)</p> <p>Certified Public Accountant, CPA (K) Registered member of the Institute of Certified Public Accountants of Kenya (ICPAK) – Membership No. 13572</p>
	<p>CPA. Margaret Kithunzi <i>Manager, Finance & Accounts</i></p> <p>Key Qualifications Master's degree in Business Administration (Finance) Bachelor of Commerce (Finance)</p> <p>Certified Public Accountant, CPA (K) Registered member of the Institute of Certified Public Accountants of Kenya (ICPAK) – Membership No. 11469</p>
	<p>Duncan Ondulo <i>Manager, Infrastructure Planning & Design</i></p> <p>Key Qualifications Bachelor of Science Surveying Member of Institute of the Surveyors of Kenya</p>

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

	<p>CS. Joseph Ojiambo <i>Manager, Human Resource & Administration</i></p> <p>Key Qualifications Master of Business Administration degree in Human Resource Management Bachelor of Arts (Hons) degree in Economics and Sociology Postgraduate Diploma in Human Resources Management</p>
	<p>John Musyoka <i>Manager, Supply Chain</i></p> <p>Key Qualifications Executive Master of Business Administration Bachelor of Commerce degree (Business Administration option) Diploma in Purchasing & Supplies.</p>
	<p>CPA Philip Nzengu <i>Manager, Internal Audit</i></p> <p>Key Qualifications Masters Degree in Procurement Bachelors Degree in Finance.</p> <p>Certified Public Accountant, CPA (K)</p> <p>Registered member of the Institute of Certified Public Accountants of Kenya (ICPAK) – Membership No. 6536</p>

5. CHAIRMAN'S STATEMENT

Stakeholders,

As the National Water Harvesting & Storage Authority (NWHSA) Board, we appreciate all our stakeholders whom we have partnered in various ways (both local and international) to meet our achievements.

Foremost is a focus on compliance with security, safety, health, and welfare our staff and stakeholders.

Activities during the year

The Authority can report major milestones including good progress in construction of Muruny (Siyoi) Dam Water Supply Project in West Pokot County, continued implementation of the Umaa Dam Water Supply and Irrigation Project and various flood control infrastructure.

Performance Review

The Authority's net asset base has continued to grow and rose from Kshs.34.17Billion in the financial year 2022-2023 to Kshs.35.11Billion in the current financial year. This was majorly attributable to the continued sinking of funds in Capital projects including Muruny (Siyoi) Dam and Flood Control works. The Authority received Kshs.1.61Billion and Kes.397.5Million for Development and Recurrent Activities, respectively, from the GoK in the financial year 2023-2024. The total income during the year under review amounted to Kshs.605.00Million while the total operating expenses were Kshs.912.22Million compared to Kshs.742.74Million and Kshs.988.26Million in the comparative previous year, respectively. The decline in revenues was due to a decline in both rendering of services income because of a gloomy economic recurrent and the development year-to-year budget allocations.

Future Outlook

Cognizant of its specific mandate and role in the water sector, the Authority's 2022-2027 Strategic Plan has set a clear Vision and Mission to give direction of where the institution wants to be in the next three years.

Given its mandate as stipulated in Section 30 of the Water Act 2016 and its functions as stipulated in Section 32 of the Act, the Authority has committed to pursue the following Strategic Objectives, in the dispensation of this Strategic Plan:

- a. **Pillar 1:** To increase water storage in the country by 148.6 million cubic meters by the year 2027 and enhance sustainability of constructed water structures through operations and maintenance,
- b. **Pillar 2:** Protect/Save Lives and Property from the Effects of Floods and drought by construction and maintenance of 70km of dykes, construction of 125No. Small pans/dams and 203No. Boreholes,
- c. **Pillar 3:** Mainstream Cross-Cutting and Policy Issues as legal and regulatory guidelines,
- d. **Pillar 4:** To Enhance Financial Sustainability, and
- e. **Pillar 5:** Improve Corporate Image of the Authority.

Going forward, we believe that implementation of the above key strategic objectives will play a major role in increasing access to clean and safe water from the current 60% to 80% by the year 2032.

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

Among the major projects earmarked for continued funding and implementation is Umma Dam, Soin-Koru Dam, Muruny (Siyoi) Dam and Bosto Dam Water Supply Project.

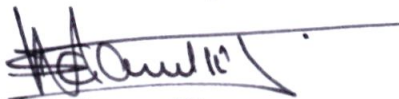
My commitment is to further align the Authority's strategic direction to the Bottom-Up Economic Transformation Agenda, that is, the Government's Plan.

Appreciation

Finally, I would like to thank the Government of Kenya through the Ministry of Water, Sanitation & Irrigation and other Government Agencies for their continued support of NWHSA development agenda and for enabling us to access financial and logistical support that has enabled us to put up the water infrastructure development.

I also thank my Board members for their unwavering support. I appreciate them for applying their highest professional standards in carrying out the business of this Board and in decision making.

Finally, I thank all our stakeholders who include staff and management, regulators, the media, communities where our projects are located, the County Governments and the Government Administrators who have supported us in various ways.



**CPA. Symon Kimaru
Chairman of the Board**

Date: 31/12/2024

6. REPORT OF THE CHIEF EXECUTIVE OFFICER

I am pleased to present the Financial Statements of the Authority for the period ended 30th June 2024. During the year, the institution depicted good financial health despite operating in a very challenging environment destabilized by the continued aftermath of the Covid-19 pandemic, Russia-Ukraine War and inadequate budgetary financing. Despite the challenges, the management met the annual targets.

In line with Vision 2030, the Authority has constructed the Kiserian Dam, Chemususu Dam and Kalundu Dam and continues to oversee construction of multi-billion storage reservoirs namely, Muruny (Siyoi) Dam Water Supply Project, Soin-Koru Dam, Umaa Dam and Badasa Dam. Implementation of the Muruny (Siyoi) Dam stood at a completion rate of 84% and is expected to be completed in March 2025. The dams form the bulk of the operating expenses of the Authority in line with its mandate.

Besides the above dams, the Authority undertook flood control works across the country where dykes were constructed along various rivers with one check dam namely Osinoni still under construction. The completed sites include: River Awach Tende in Homabay County, River Kuja in Migori County, Kimira in Homabay County, River Kawalase Flood Control in Turkana County, River Sabwani in Transzoia County, Sololo in Marsabit County, River Sondu Miriu in Kisumu County, River Perkerra in Baringo County and Lake Kanyaboli in Siaya County. Still, the Authority continued to implement multiple borehole projects under the Water for schools, Ground water exploitation and Cross county Programmes.

Human Resources remain the greatest asset of the Authority. During the year, the Authority continued to implement the approved Human Resource Instruments. Further, to fully harness human resources, the institution organized and managed to send several officers at all cadres to various trainings as a way of building capacity.

Similarly, customers and stakeholders are central to our business sustainability. Customer satisfaction is a key driver in fostering brand loyalty which leads to business growth and long-term viability.

In today's diverse and highly dynamic business environment, it has become vital to tailor communication and engagement programs to meet various stakeholder needs. In this regard we sustain mutually beneficial and strategic stakeholder interactions. This included participatory meetings and forums with all stakeholders

In support of the Bottom-Up Economic Transformation Agenda (BETA), the Authority has played a key role in increasing access to clean and safe water. Water is a crucial enabler of the BETA hence the need to work jointly with other agencies in the sector to ensure we achieved set targets. In providing water, the area under irrigation has increased.


Generally, the Authority is considered a going concern as it carries short-term assets that can meet its short-term liabilities. In addition, the Capital Fund continues to grow as is the Property, Plant and Equipment.

The Authority continues to face challenges associated with inadequate collection of Appropriations in Aid but is set to revamp its business unit section to make it an efficient income earning division.

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

The Report provides in summary the activities of the Authority for the financial year and provides a true and accurate status of the financial affairs of the Authority for the period ending 30th June 2024.

**Eng. Julius K. Mugun PE, MIEK, MCI Arb
Ag. Chief Executive Officer**

Date:


**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

7. STATEMENT OF THE AUTHORITY’S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2023-2024.

National Water Harvesting & Storage Authority has Five strategic pillars and objectives within its Strategic Plan for the FY 2023-2024. These strategic pillars are as follows:

Pillar 1: To increase water storage in the country by 148.6 million cubic meters by the year 2027 and enhance sustainability of constructed water structures through operations and maintenance.

Pillar 2: Protect/Save Lives and Property from the Effects of Floods and drought by construction and maintenance of 70km of dykes, construction of 125No. Small pans/dams and 203No. boreholes

Pillar 3: Mainstream Cross-Cutting and Policy Issues as legal and regulatory guidelines

Pillar 4: To Enhance Financial Sustainability

Pillar 5: Improve Corporate Image of the Authority

The Authority develops its Annual Work Plan based on the above five pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The table below summarizes the Authority’s achievements for the financial year 2023-2024 based on the five strategic pillars.

Strategic Pillar	Objectives	Activities	Key Performance Indicators	Target by Plan Year 2023-2024	Achievements
To increase water storage in the country by 148.6 million cubic meters by the year 2027 and enhance sustainability of constructed water structures through operations and maintenance	1: Construction of Large and Medium size dams	Carry out stakeholder sensitization	No. of sessions held and the reports	8	0
		Carry out feasibility studies	No. of feasibility reports	27	0
		Carry out preliminary and final designs	No. of preliminary and final design reports	27	0
		Undertake Resettlement Action Plans	No. of acres compensated (in ‘000’)	4	0
	Commence construction of Large Dam	No. of large dams construction commenced	27	1	
	2: Management of Dams	Develop management framework	Framework in place	1	0
	3: Operations and maintenance of dams	Operation & Maintenance of dams	No. of dams Operated and Maintained	27	0

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

Protect/Save Lives and Property from the Effects of Floods and drought by construction and maintenance of 70km of dykes, construction of 125No. Small pans/dams and 203No. boreholes	4: Develop inter-basin and cross county water works	Carry out stakeholder sensitization (Pipeline)	No. of reports/ minutes for sensitization meetings	1	0
		Final Designs for bulk water pipelines	No. of final design reports	1	0
	5: Rain Water Harvesting	Carry out stakeholder sensitization/Education	No. of reports/ minutes for sensitization meetings	2	0
		Resource Mobilization and partnership development	No of partners	-	-
		Implementation	No. of rain water Catchment Infrastructures Installed	-	-
	6: Develop national underground water resources (aquifers)	Carry out hydro-geological surveys	No. survey reports	1	0
		Drill & develop wells	No. of wells drilled & developed	10	0
	7: Manage national underground water resources	Operation & maintenance of the infrastructure	No. of reports on Operations & Maintenance	1	0
	8: Construction of flood control structures	Undertake Mapping new flood areas	No. of reports of new flood prone areas mapped	2	0
		Undertake feasibility studies for new flood areas	No. of reports of new flood areas	2	0
		Design dykes	Kilometers of dykes designed	12	6
		Construct dykes	Kilometers of dykes constructed	12	6
		Designs for river training	Length in kilometers of rivers designed	10	4
		River training	Length in kilometers of rivers trained	10	4
		Design and Construct check dams	No. of check dams constructed	1	1
9: Maintenance of flood control structures	Maintenance of the dykes	Kms Maintained	12	0	

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

		Maintenance of the check dams (de-silting)	No. of Check dams Maintained	1	0
	10. To mitigate the effects of drought	Small dams/pans constructed	No. of Small dams/pans constructed	25	0
		Boreholes drilled	No. of Boreholes drilled	40	0
	11. Advise CS on water resources storage and flood control strategies	Collect information on national water resources	No. of Reports Prepared	1	0
		Provide information on national water resources storage and flood control strategies to the CS	No. of reports prepared and forwarded to the Cabinet Secretary	1	0
Mainstream Cross-Cutting and Policy Issues as legal and regulatory guidelines	12: Comply with Gender Mainstreaming policy as per guidelines	Implement Gender Mainstreaming policy as per guidelines	No. of Reports	4	1
	13: Comply with disability mainstreaming policy as per guidelines	Implement Disability Mainstreaming policy as per guidelines	No. of Reports	4	1
	14: Comply with HIV/AIDS Mainstreaming policy as per guidelines	Implement HIV/AIDS Mainstreaming policy as per guidelines	No. of Reports	4	1
	15: Comply with Alcohol, Drug & Substance Abuse Mainstreaming policy as per guidelines	Implement Alcohol, Drug & Substance Abuse Mainstreaming policy as per guidelines	No. of Reports	4	1
	16: Promote National Cohesion and Integration	Implement National Cohesion and Integration policy	No. of Reports	1	1
	17: Empowerment of youth, women and persons with disability (Social-Economic factor)	Offer attachment/ internship/ apprenticeship to the youth	No. of youths offered attachment/ internship/ apprenticeship	22	17
	18: Eradicate Corruption within the Authority	Offer 30% of Authority tender awards to youth, women and persons with disability	% of tender awarded	30%	115

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

	Implement corruption Prevention policies and Action Plans	No. of Reports	4	1
19: Comply with legal and regulatory requirements	Implement MWONGOZO code of conduct	No. of Reports	1	0
	Implement Legal and regulatory requirements	No. of Reports	1	1
	Conduct Job Evaluation	Job Evaluation Report	1	1
	Implement Job Evaluation Report findings	Reviewed Job Descriptions	1	1
	Review the Organization Structure	Reviewed Organization Structure	1	1
20: Establish offices, attract, recruit, develop and retain highly skilled staff	Review the Career Progression Guidelines	Reviewed Career Progression Guidelines	1	1
	Review of the HR Policies and Procedures Manual	Reviewed HR Policy	1	1
	Conduct a Staff Gap Analysis (HR Planning)	HR Planning Report	1	0
	Conduct Training Needs Assessment (TNA)	Training Needs Assessment (TNA) Report	1	1
21: Establish offices, attract, recruit, develop and retain highly skilled staff	Conduct and implement Training Needs Assessment (TNA) Report	Number of Staff trained	10	25
	Competency based recruitment, placement, training and development	Number of positions recruited	8	0
22: Establish offices, attract, recruit, develop and retain highly skilled staff	Attractive and competitive remuneration	Salary structure review		Recategorization of Authority Class 0
	Establish and deploy staff to regional offices	Established regional offices	5	1

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

		Procurement of office furniture & Assorted equipment	Office furniture in place (Lot) & furniture & Assorted equipment	1	0
	23: Institutionalize performance management system	Review and implement performance management system	Align Staff reward & compensation with Performance Appraisal	2	0
		Undertake Change management	No. of staff sensitized	220	-
		Maintain ISO Certification	Progress Report	-	0
			No. of audit reports	2	-
	24: Comply with ICT policy as per Government guidelines	Review and implement ICT policy	Policy in place and in use	1	-
		Conduct an ICT Audit	Audit Report	1	0
		Acquire new computers with software and UPS	No. of computers with software and UPS acquired	50	0
		Acquire Internal Audit System	Internal Audit System in place	-	-
		Acquire Engineering Software and workbench tools	No. of Engineering software and workbench tools	-	-
		Implement data and system security	Data and system security in place	4	0
		Maintain and service ICT systems, ERP and equipment	No. of maintenance and service contracts	5	0
	25: Comply with ICT policy as per Government guidelines	Conduct ICT Research and Innovation	No. of innovations	1	-
		Develop & implement integrated news systems: EDMS & web portal	New Systems in place	2	0
	26. Safety and security measures	Implement safety and security measures	No. of report	1	0
	27. Road safety and mainstreaming	Implement road safety measures	No. of report	1	0
To Enhance Financial Sustainability of The Authority	28: Attract more Government funding	Negotiate & justify for additional funding	Amount of budget allocated	2.1	1,880
		Ensure timely performance reporting	No. of reports	4	4

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

	Undertake regular project audits	Audit reports	2	1	
29: Comply with good Governance as per guidelines	Reduced litigations	No. of litigations	64	5	
	Reduced external audit queries	No. of external audit queries	5	2	
30: Engage development partners for financial and technical support	Identify & profile potential development partners	No. of development partners/donors identified	10	0	
	Prepare & submit fund raising proposals	No. of proposals submitted	1	0	
	Undertake value for money studies	No. of Audits	1	0	
	Develop & implement an engagement framework	Framework in place	1	0	
31: Strengthen the capacity of Business Development Unit (BDU)	Construction of an additional office Block for Income Generation	1 No. Office block	0	0	
	Develop & implement BDU policy document	BDU Policy document in place	1	0	
	Develop and implement an engagement framework	Framework in place	Once	0	
	Ensure growth in profit annually	Profits Raised - boreholes	56	0	
		Profits Raised - dams	-	0	
		Amount Raised - Lease	37	0	
Improve Corporate Image of the Authority	32: Develop & implement a communication strategy	Develop Brand Identification Manual	Brand Manual ID in place	1	0
		Implement Brand Identification Manual	No. Of Assets, sign posts & Corporate Wear branded	1	0
		Develop CSR /CSI policy	Policy in place	1	0
		Implement & undertake CSR/CSI	No. of CSR/CSI activities	1	0
33: Enhance customer service	Undertake Customer Satiosfaction Surveys	No. of surveys	1	0	
	Establish a resource center at the HQs	Resource center in Place	1	0	

**National Water Harvesting & Storage Authority
 Annual Report and Financial Statements
 for the year ended June 30, 2024**

Publish relevant Information, communication & education materials	Quarterly magazine	4	0
Enhance stakeholder engagement	Annual No. of Events	1 1	0 0

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

8. CORPORATE GOVERNANCE STATEMENT

Corporate governance is defined as the process and structure used to direct and manage business affairs of the Authority towards enhancing prosperity and corporate accounting with the ultimate objective of realizing shareholders long-term value while considering the interest of other stakeholders.

The Board of Directors is guided by best practices, international standards and principles that are essential for good corporate governance practices. The Board of Directors is responsible for the Governance of the Company and is committed to ensuring that its business operations are conducted with integrity and in compliance with the law, internationally accepted principles and the best practices of corporate governance and business ethics. The board also focuses on a corporate agenda that maximizes shareholder value and guarantees a sustainable business. To this end, the Board has ensured that policies and strategies have been put in place to ensure that the Authority's objectives aimed at promoting and protecting shareholder value are achieved.

The number of Board meetings held and the attendance to those meetings by members.

The Board is responsible and accountable to the Government of Kenya, through the Ministry Water, Sanitation & Irrigation, in ensuring that the Authority complies with the law and the highest standards of corporate governance. During the period under review, the Board met Thirty-Three (33) times and attendance was as follows; -

BOARD AND COMMITTEE MEETINGS ATTENDANCE FOR THE YEAR 2023/2024

NO	NAME	NO. OF MEETINGS	MEMBERSHIP	AVERAGE ATTENDANCE%
1	FULL BOARD	13	9	95%
2	FINANCE COMMITTEE MEETING	6	5	95%
3	HUMAN RESOURCE, ADMINISTRATION AND GOVERNANCE COMMITTEE MEETING	4	5	95%
4	AUDIT COMMITTEE MEETING	4	5	95%
5	STRATEGY, TECHNICAL BUSINESS COMMITTEE MEETING	5	5	95%
6	ADHOC MEETINGS	1		
	NO. OF BOARD AND COMMITTEE MEETINGS	33		
1	OTHER MEETINGS & INVITATIONS	14		

Succession Plan

The Board is cognizant of the importance of a board succession planning policy. For purposes of information management, the e-Board software offers a secure space for electronically storing critical board documents/information which can be accessed by individual directors at any given point in time. Board appointments are undertaken by the Ministry of Water, Sanitation & Irrigation on a staggered basis to allow for continuity.

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

The Board Charter

The Authority has put in place mechanisms for a corporate governance framework that is outlined in the Board and Committee Charters approved by the Board.

The Board Charter which acts as a reference guide for the Directors is inspired by the dictates of good corporate governance. The framework ensures a clear division of duties and role of the Chairman and the Chief Executive Officer. It stipulates the individual and collective responsibilities, powers, duties, obligations and the liabilities of the Directors. It sets out the roles and responsibilities of Directors with respect to its strategic, oversight role, stewardship, and fiduciary responsibilities. The Board Charter provides policy direction on issues of accountability, transparency, value addition, legitimacy, and overall credibility and business operations of the Company. The Authority observed this governance framework during the year under review.

Appointment and removal of directors

Section. 31 of the Water Act No. 43 of 2016 provides the procedure of appointment and removal of the Board of Directors.

The current Board has eleven (11) members who possess a broad range of skills and competencies, including legal, finance, human resources, economics, and management among others.

Roles and functions of the Board

The primary role of the Board is to ensure long-term wealth and prosperity of the Authority for the benefit of customers, employees, and other stakeholders. The Board is responsible for policy formulation; Strategic Leadership and Planning; Resource Mobilization and Project management; Decision making; Compliance and Risk Characterization; Monitoring Progress and Direction of Executive Performance.

Board Committees

The Board of NWHSA has established the following four (4) Board Committees for purposes of delegating its various functions. The Terms of Reference for the Committees are encapsulated in the specific Committee Charters approved by the Board.

v) Human Resource, Administration and Governance Committee

The Committee comprises of four directors (one of them as Chairman) and the Chief Executive Officer as the Secretary. The Committee has the following duties and responsibilities, as well as such other duties and responsibilities as it deems appropriate to carry out its purposes or as directed by the Board:

- a) Human Resource Planning by ensuring there is a staff establishment; the right number and quality of staff with relevant skills; and succession planning;
- b) Development of the Authority's Organizational Structure;
- c) Recommend to the Board the recruitment and selection and retention of staff with the relevant knowledge, skills and abilities;
- d) Training and development of employees to improve organizational productivity;

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

- e) Ensure that the employees are rewarded through an Employee Merit Reward System and that the employees' salaries are constantly reviewed and they are provided with better incentives and benefits
- f) Ensure that there are disciplinary and grievance-handling procedures in place outlining how they are administered
- g) General Staff Welfare – Ensure that the employees have conducive work environment, health and safety;
- h) Handle policy issues on Human Resource and Administration, Legal and Corporate Communications;
- i) Oversee the implementation of change process plans in the organization;
- j) Ensure compliance with statutory requirements, provisions of Water Act, 2016 and any written law;
- k) Interpret circulars and regulations that may be issued from time to time from the Government;
- l) Review and make recommendations on policy issues on Human Resources Management, Transport, Corporate Communications and Corporate Social Responsibility;
- m) Review and make recommendations on legal issues and disputes touching on the Authority;
- n) Promote effective communication within and with all stakeholders;
- o) Ensuring effectiveness and efficiency of the Board Secretariat

vi) Finance Committee

The Committee comprises of five directors (one of them as Chairman) and the Chief Executive Officer as the Secretary. The Committee has the duties and responsibilities of:

- A. Making recommendations for Board approval and/or delivering reports to the Board in the following areas:
 - i) Annual operating and capital budget;
 - ii) Annual audited financial statements;
 - vii) Policies related to financial management;
 - viii) Procedures for disposal of Authority property;
 - ix) Authority's procurement plan based on the Procurement Budget; and
 - x) Continuous effectiveness of the ICT and ERP systems.
- B. Providing information to the Board on:
 - e. Significant financial planning, management and reporting issues;
 - f. Interim financial reports;
 - g. Authority assets and liabilities; and
 - h. Budgetary control and financial management system for the Authority.

The Committee meets on quarterly or need basis.

vii) Audit Committee

This Committee comprises of four directors (one of them as Chairman) and the secretary is the Chief Internal Auditor. The Board of Directors of the National Water Harvesting and Storage Authority has established the Audit Committee to:

- (a) Support the Accounting Officers with regard to their responsibilities for issues of risk, control

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

and governance and associated assurance but the responsibility over the management of risk, control and governance processes remains with the management of the concerned entity; and
(b) Follow up on the implementation of the recommendations of internal and external auditors.

The functions and responsibilities of the Authority's audit committee will generally be to provide oversight to and advice in the following areas:

1. Internal Control System;
2. Governance structures;
3. Risk management;
4. Financial statements;
5. Compliance requirements;
6. Internal audit, including approval of annual work plans;
7. External audit;
8. Other related functions including review of entity's performance framework; relevant parliamentary committee reports and recommendations; and portfolio responsibilities; and
9. Review the Terms of Reference (TOR) of the AC and ensure that the functions are clearly defined therein.

The Committee meets on quarterly or need basis.

viii) Strategy, Technical & Business Committee

The Committee comprises of five directors (one of them as Chairman) and the Chief Executive Officer as the Secretary. The Committee shall have the following duties and responsibilities, as well as such other duties and responsibilities as it deems appropriate to carry out its purposes or as directed by the Board:

- a) Review strategies, plans and service charters for attaining the Authority's Service Delivery Objectives;
- b) Give policy direction in the development of the Authority's Strategic Plan/ Business Plan and monitoring its implementation;
- c) Review ISO certification procedures manuals;
- d) Give policy direction in development of pro-poor approaches and community involvement in projects;
- e) Approval of project work plans and Performance Contract targets;
- f) Approve the Quarterly Performance Contract Progress Reports;
- g) Review proposals and plans for infrastructure development and improvement;
- h) Consider, evaluate and review progress of implementation for infrastructure development programs;
- i) Consider, evaluate and review performance of outsourced works;
- j) Consider and evaluate the use of new and appropriate technologies in provision of water storage facilities;
- k) Ensure compliance by the Authority with statutory regulations relating to the Environment and Water Resources Management;
- l) Review and give policy direction on proposals for water harvesting policy and enforcement of water harvesting strategies;
- m) To receive, examine and approve implementation of new/proposed projects as well as reports on the applications of new technologies;

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

- n) Where necessary on sample basis visit projects under implementation to access progress and recommend the way forward or any action plans;
- o) To receive deliberate on and give guidance on policy matters with respect to progress reports on the on-going projects;
- p) To discuss any other relevant matters that pertains to the technical operations of the Authority;
- q) To discuss and promote activities geared towards the generation of income by the Authority and the Authority's self-sustainability;
- r) To review the Authority's performance in terms of operation, managing and maintenance of the Authority's projects; and
- s) To discuss any other business arising from the Strategy, Technical and Business Development committee.

Induction and Training

NWWSA seeks to continuously review and develop of the Board's capacity to deliver on its mandate by regularly reviewing and advising the Board on the skills, attributes and experience required for effective governance. In this regard, the Chief Executive Officer in liaison with board members undertakes a directors' training needs and gaps analysis and develops a board training calendar highlighting the various training programs required by the board members. Directors attend training programs based on their individual needs assessment and the Company's requirements. Benchmarking initiatives are also conducted to equip the Board with the necessary exposure required for executing the Company's mandate.

Board and member performance

It is important that the Board continually evaluates its performance against set targets. Consequently, the Board undertakes an annual evaluation of its performance and effectiveness in order to identify the areas for improvement and addresses them. The performance evaluation is conducted through the e-Board platform with the assistance of an independent party.

The following key areas are covered by Board evaluations:

1. Board Processes and accountability;
2. Strategy, financial matters and performance;
3. Compliance with all legal and ethical requirements;
4. Board composition, induction, development and succession; and
5. Information and communication to stakeholders.

Conflict of Interest

Board members have a statutory duty not to place themselves in a position where there is a conflict (actual or potential) between their duties to the Authority and their personal interests (including the interest of a family member), the interest of any associated organization or person, or their duties to third parties. All Board members are required to declare their interest in any matter before the Board which might create a potential conflict of interest, before such matter is considered and deliberated upon. Such a member shall then be required to excuse himself/herself from discussions and decisions on matters in which they have a conflict of interest. In the extreme case of continuing material conflict of interest, good practice requires the Director to abstain from a Board Decision.

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

Board Remuneration

The Directors' remuneration rates are as outlined in the State Authoritys Act and by the Salaries and Remuneration Commission. The Directors' fees are paid upon invitation and attendance of board meetings. The chairman receives a monthly honorarium.

Ethics and conduct

At NWHSA, good corporate governance is engrained as a valuable contributor to the long-term success of the Company through creation of the right culture throughout the organisation. The core values of Customer Focus, Integrity, Teamwork, Innovation, Sustainability and Safety steer the Company's organizational health and decision-making processes. The Company's Code of Conduct underscores the fundamental principles and guidelines that govern the ethical and legal obligations of all employees and the Board of NWHSA. The Code of Conduct is premised on the Constitutional Provisions of Chapter Six (Leadership and Integrity), National Values, Public Officers Ethics Act and other relevant legislation governing the conduct of Public Officers. During the year under review, the Company initiated a Staff Culture Transformation exercise and conducted baseline surveys to foster a positive work culture that aligns its business ethics to prevailing dynamic operating environment. The Company is cognizant of the need to conduct its business in compliance with relevant legal and regulatory principles to entrench high ethical standards of business practice. At NWHSA, observation of the code and high standards of integrity is a mandatory requirement, and employees are expected to observe the highest standards of professionalism. Each employee understands the need to embrace and practice good governance of the Company and to maintain its reputation for integrity both within and outside the workplace.

Governance Audit

Conformity with governance parameters as set out in the Constitution, applicable laws and best practices is a requirement under the *Mwongozo* Code of Governance which provides guidance on governance within State Authority's. Governance Audit therefore entails review of governance structures, policies and practices to ensure they are in conformity with highest standards of good governance.

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

9. MANAGEMENT DISCUSSION AND ANALYSIS

a. Financial Performance Highlights

The Authority's financial performance recorded a deficit of Kes.337.89Million compared to Kes.246.73Million reported in the previous year. This increase in deficit was majorly attributed to declining collection of Appropriations in Aid (A.I.A) owing to a suppressed economy and an increase in expenses such as employee cost which was triggered by a change in Law which introduced an employer contribution to housing levy and training levy. In addition, the entity experienced increased impairment of assets such as business unit debtors and incurred losses upon sale of disposable assets.

Table 1: Financial Performance Highlights

Deficit For the Year			Change in Income		
2023-2024	2022-2023	2021-2022	2023-2024	2022-2023	2021-2022
Kshs	Kshs	Kshs	%	%	%
(337,885,791)	(246,721,501)	(2,997,114,587)	37%	-92%	194%

i. Income

The Authority received a recurrent exchequer of Kshs.397.5Million from the Parent Ministry as had been budgeted in the Supplementary 2 Budget Estimates FY 2023/24.

A gross amount of Kshs.53.44Million was collected from Rental Income and Interest on Deposits held on a day-to-day basis at the Authority's 5 active bank accounts domiciled at the Kenya Commercial Bank. Notably there was no recognition of income from the Rendering of Services as the Authority did not manage to invoice any works arising from the business unit. This contributed negatively to the profitability of the Authority.

ii. Expenses

The increase in Use of Goods and Services compared to the previous year was as a result of an increase in the expenditure under security and Rendering of services.

The Year-to-year increase in Employee Costs by 6.51% was attributed to the annual salary increment for staff, and introduction of new statutory deductions in the form of housing levy and training levy.

Also, the 39.10% increase in the Remuneration to Directors was attributed to the increase in allowable spending ceiling which is pegged at a maximum of 5% of the allocated recurrent budget. As such, the expense increased because the recurrent budget allocation also increased in the year under audit from Kes.453Million to Kes.497.5Million. Furthermore, the new directors who had been appointed at the end of the previous financial year were taken through an induction programme and corporate governance training which was not the case in the previous financial year.

The 44.51% decrease in the expenses classified as Grants and Subsidies, was as a result of reduced expensing of large dams and dykes expenses unlike the previous year.

b. Financial Position Highlights

The Authority's financial position statement was funded strongly by Revaluation Reserves of Kes.479.64Million, Accumulated Deficit of Kes.4,850.72Million and a Capital Fund of

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

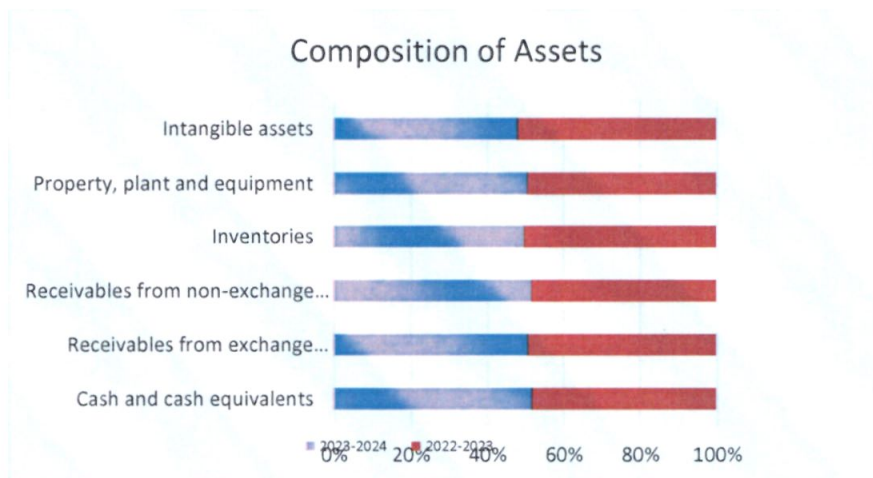
Kes.39.48Billion.

The Capital fund had increased because of an increase in the year-to-year development budget. The Cash Balances were Kes.238.99Million.

There was only a marginal increase in the Receivables from Exchange Transactions and the Receivables from Non-Exchange Transactions.

The Authority posted a robust Property Plant & Equipment with a book value (revaluation value less depreciation) of Kshs.34.45Billion.

Composition of Assets during the Year



The Development Budget was to be utilized on Muruny (Siyoi) Dam Water Supply Project, Soin-Koru Dam, Umaa Dam, Badasa-Songa Dam, Flood Control and Boreholes. As such, the following projects were implemented and/or continued to be implemented during the year:

- Muruny (Siyoi) Dam Water Supply Project– West Pokot County
- Soin-Koru Multipurpose Dam Water Project – Kisumu County
- Umaa Dam – Kitui County
- River Kawalase Flood Control – Turkana County
- River Sabwani Flood Control – Transnzoia County
- River Kuja Flood Control – Migori County
- River Sondu Miriu Flood Control – Kisumu County
- River Awach Tende Flood Control – Homabay County
- Lake Kanyaboli Flood Control – Siaya County
- Narok Flood Control - Narok County
- Sololo Flood Control – Marsabit County
- River Perkerra Flood Control – Baringo County
- Water for Schools/Cross County/National Water Exploitation Programme Projects.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Authority has the obligation to plan, design, construct and maintain the country's dams and mitigate the effects of floods. This primary objective must, however, be twinned with positive impacts to societies that such businesses operate in. These positive impacts include creation of employment opportunities, provision of goods and services, contribution to the economy by paying taxes, contributing towards development of infrastructure and improvement of quality of life for the people.

NWHSa, being an obliging and proactive company, has mainstreamed corporate social responsibility (CSR) in its operations. Beyond grid matters, the company has expanded its jurisdiction to improve the well-being of humanity and impact society to be better.

This deliberate move is necessary because it is the society that gives us a "license to operate" and their goodwill is necessary for continued security and room to operate long after our transmission projects construction is over.

Our approach

NWHSa's approach towards CSR is focused on identifying and formulating projects guided by its CSR policy and in response to specific needs that go towards solving a problem that members of the concerned community assess as a priority. To this end, the Authority consulted widely internally and beyond on best practices to make corporate social responsibility an integral part of its undertakings. During the financial year under review, social, economic and environmental issues were addressed.

Below is a brief highlight of our achievements in each pillar:

1. Social sustainability strategy and profile

NWHSa ensured that its operations were carried out professionally and in humane manner, considering that construction of dam and flood control projects involve acquisition of land for project sites and wayleaves access for the infrastructure. This necessitates compensation and at times resettlement of the Projects Affected Persons (PAPs) hence the need to expedite the process harmoniously. In addition, NWHSa actively participated in several engagements with various stakeholders towards improving their quality of life which translates into creating a better society. This was evident in key areas such as water, health, and environmental conservation.

In addition, NWHSa offered youth internship opportunities to fresh graduates and industrial attachments to ongoing University students for the purpose of transferring skills and future career preparation.

2. Environmental Sustainability performance

The Authority's environmental and social impact assessment plans are anchored on environmental laws, regulations, standards, and best practices. The Authority ensures compliance with all relevant national and international environmental and other statutory regulatory provisions that apply to its projects to ensure sound environmental management practice. The Authority ensures that all projects have a component of planting trees and maintaining the same to full maturity.

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

3. Employee welfare

Competence management

During the year ended 30 June 2024, the Authority trained various cadres of staff to improve the competency levels. The Authority also paid professional fees to professional bodies and facilitated training and conferences for staff members.

Safety and security measures

During the year ended 30 June 2024, the Authority procured protective gear for technical staff who are engaged in project implementation. Further, Internal audit of the Information Security Management System (ISMS) and backups for the data centre were also undertaken in the period.

4. Market place practices

NWWSA complied with 30% of access to government procurement opportunities (AGPO) requirement by ensuring that Youth, Women and Persons with disabilities supplied goods and services. Further, NWWSA complied with 40% Government requirement on local content procurement where goods and services were procured locally by the company. These procurement opportunities have created diverse financial benefits for the special groups as well as enhancing the NWWSA corporate image and reputation.

5. Market place practices

The Authority continued implementing corruption prevention measures as identified in the corruption risk assessment and mitigation plan. The Integrity Committee quarterly meetings were held. Quarterly reports of the corruption risk assessment reports and the implementation of the mitigation plans were prepared and submitted to EACC.

6. Community engagements

NWWSA has remained committed to engaging with local communities in project affected areas, the public, sector partners and other stakeholders aiming at cultivating their goodwill, cooperation and amicable association. In this regard, NWWSA ensured that all CSR projects were implemented through a consultative process with stakeholders' right from the initial project planning through to commissioning.

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

11. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Authority's affairs.

Principal activities

The principal activities of the Authority are (continue to be):

- a) Undertake on behalf of the national government, the development of national public water works for water resources storage and flood control;
- b) Maintain and manage national public water works infrastructure for water resources storage;
- c) Collect and provide information for the formulation by the Cabinet Secretary of the national water resources storage and flood control strategies
- d) Develop a water harvesting policy and enforce water harvesting strategies;
- e) Undertake on behalf of the national government strategic water emergency interventions during drought; and
- f) Advise the Cabinet Secretary on any matter concerning national public water works for water storage and flood control.

Results

The results of the Authority for the year ended June 30, 2024 are set out on page 1-51.

Directors

The members of the Board of Directors who served during the year are shown on page x to xv.

Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Authority did not make any surplus during the year 2024 and hence no remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Authority for the year/period ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015.

By Order of the Board



**Eng. Julius K. Mugun PE, MIEK, MCI Arb
Ag. Chief Executive Officer/Secretary to the Board**

Date: 31.12.2024

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

12. 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 that Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year and the operating results of the Authority for that year. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

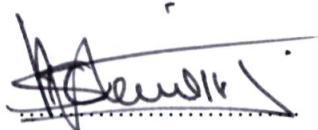
The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority; (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 Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority'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 Accrual), and in the manner required by the PFM Act, 2012 and (the State Corporations Act). The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2024, and of the Authority's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority'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 Authority 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 Authority's financial statements were approved by the Board on 24th September, 2024 and signed on its behalf by:



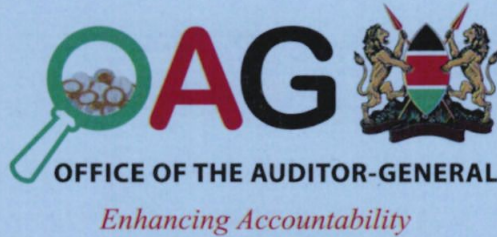
CPA. Symon Kimaru
Chairperson of the Board



Eng. Julius K. Mugun PE, MIEK, MCI Arb
Chief Executive Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL WATER HARVESTING AND STORAGE AUTHORITY OR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

1. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
2. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
3. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Water Harvesting and Storage Authority set out on pages 1 to 46 which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of National Water Harvesting and Storage Authority as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Water Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1. Inconsistencies in the Retention Balance

The statement of financial position as disclosed in Note 26 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.1,194,326,965. Included in this balance is retention held on behalf of suppliers totalling Kshs.500,210,821. However, Note 20 to the financial statements reflect a bank account with a retention balance of Kshs.32,627,828 resulting in an unexplained variance of Kshs.467,582,993.

In the circumstances, the accuracy and completeness of the retention balance of Kshs.500,210,821 could not be confirmed.

2. Long Outstanding Reconciling Items in Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalent balance of Kshs.238,992,277 as disclosed in Note 20 to the financial statement. However, the Authority over the years has continued to carry reconciling items in cash and cash equivalents for unposted and reconciling items amounting to Kshs.31,860,430 and Kshs.1,956,997 respectively as shown below;

Unposted Items		
Account number	Year	Amount (Kshs.)
1114280488	2006 to 2009	5,056,008.00
1114279978	16-Jun	2,133,280.00
1114280593	9-Jun	24,671,142.00
Total		31,860,430.00
Reconciling items		
KCB-1114280488	9-Jun	1,956,997.00
Total		1,956,997.00

It was not clear why these items have remained unposted and appear as reconciling amounts for many years.

In the circumstances, the accuracy of cash and cash equivalent balance of Kshs.238,992,277.00 could not be confirmed.

3. Variances between the Statement of Financial Performance and the Statement of Comparative of Budget and Actual Amounts

The statements of financial performance reflects total expenditure of Kshs.912,220,561 while the statement of budget and comparative amounts reflects total actual expenditure amounts of Kshs.780,806,338. The resultant variance of Kshs.131,414,223 between the two statements has not been reconciled.

In the circumstances, the accuracy of the financial statements could not be confirmed

4. Land Without Title Deeds

As previously reported the statement of financial position reflects property, plant and equipment totalling Kshs.34,449,478,044. The amount includes land amounting to Kshs.4,634,900,000 as disclosed in Note 24 to the financial statements. Review of records revealed that the Authority owns ninety-three (93) parcels of land. However, title deeds for eighty-seven (87) parcels of land valued at Kshs.3,594,400,000 have not been acquired. Further, fourteen (14) parcels of land have been encroached.

In the circumstances, accuracy, completeness and ownership of land amounting to Kshs.4,634,900,000 could not be confirmed.

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

Emphasis of Matter

1. Long Outstanding Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.1,194,326,965 as disclosed in Note 26 to the financial statements. However, examination of trade creditors aging analysis provided for audit revealed that trade creditors totaling Kshs.628,647,721 have been outstanding for over one (1) year. No evidence was provided by Management to show the efforts being made in trying to make the payment. Payables are supposed to form the first charge in subsequent year's budget.

2. Arbitration Claims Arising from Peace Dam Contract

Note 31 to the financial statements reflects the contingent assets and contingent liabilities totalling Kshs.720,876,256 in respect of court judgements, arbitral awards and legal fees. The amount includes arbitration award and costs for the delays and suspension of works, illegal deductions and claims on the contract for the construction of Turkana Peace Dam-Nakuetum site in Turkana amounting to Kshs.397,440,203. Review of records revealed that the contract for the construction was signed on 18 March, 2020 at a contract sum Kshs.231,114,402. The project was completed and handed over to the Authority. In the event Management is obligated to pay the arbitration award of Kshs.397,440,203, it would amount to 172% payment over and above the contract sum hence the value for money claimed may not be realized.

3.0 Uncertainty of Service Delivery by The Authority and Financial Performance

The Authority's financial performance has continuously recorded a deficit over the last three financial years as indicated below;

Financial Year	2023/2024	2022/2023	2020/2022
Net deficit for the year	(346,095,881)	(246,721,501)	(2,997,114,587)

In the circumstances, without proper strategies put by the management, the Authority may experience financial difficulties and delivery of services by the Authority may be affected negatively.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance which have not been resolved. This contravened the requirements of the National Treasury circular No.NT/IAG/GEN/252(12) on Head of public service directive in regards to zero fault audit which directed the Ministries, Departments and Agencies to ensure that they close all the issues raised by the auditor General for the financial years 2021/22 and 2022/23.

In the circumstances, the Authority is in contravention with National Treasury circular No.NT/IAG/GEN/252(12).

Other Information

The Management is responsible for the other information set out on page iv to xli which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Receivable from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions of Kshs.1,546,932,431 as disclosed in Note 21 to the financial statements. Included in this amount is Ksh.142,385,907.99 and Kshs.979,972,143.04 relating to business unit debtors and trade receivables respectively that had been outstanding for over a year.

In the circumstance, the recoverability of the accounts receivable balance of Kshs.142,385,907.99 and Kshs.979,972,143.04 could not be confirmed

2. Uncollected Rental Revenue

The statement of financial performance reflects rental revenue from facilities and equipment amount of Kshs.48,158,876 as disclosed in Note 7 to financial statement. Review of lease rental documents revealed that the Authority had twenty (20) active lease agreements during the period under review and the Authority had managed to collect rent amounting to Kshs.48,158,876 as at 30 June, 2024. However, there were still outstanding balances from the tenants amounting to Kshs.42,573,538 and Management had no plan in place to enforce collection.

In the circumstances, the recoverability of rental revenue balance totaling Kshs.42,573,538 could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in

the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Delayed Disposal of High-Value Salvage Motor vehicles and Motor Vehicles

without Registration Numbers

The statement of financial position reflects property plant and equipment of Kshs.34,449,478,044 as disclosed in Note 24 to financial statement. The audit of the entity's asset register revealed that the entity has salvage motor vehicles with a book/salvage value amounting to Kshs.21,845,000 that have not yet been disposed of. Prolonged retention of these assets raises concerns about potential depreciation, misrepresentation of asset value in financial statements, and missed opportunities to recover residual value. Further, the entity holds high-value salvage motor vehicles, some of which lack plate numbers that the entity termed as unconfirmed. These vehicles remain unsold, despite their significant book value, amounting to Kshs.4,315,000. The absence of registration numbers complicates the disposal process, raising questions about legal ownership.

In circumstances, the effectiveness of the controls and safeguard of assets could not be confirmed.

2. Board Audit Issues.

2.1. Failure to Conduct Governance audit

The entity's board did not initiate governance audit during the year under review contrary to the requirement of Mwongozo code of conduct for state Corporations issued under presidential Executive Order No.7 dated 25 March, 2015, under item 1.13 which states that the board of directors in consultations with the State Corporation Advisory Committee is required to initiate governance audit of the company through an institute of certified

public secretaries of Kenya (ICPSK) member and that the governance audit should among other areas cover the governance practices of the organization.

2.2. Gender Composition of the Board

Review of the Board membership of the entity revealed that the Board has twelve (12) board members which includes five alternate members and Ag. Chief executive officer who is the secretary to the board. It was therefore noted that out of the remaining 6 independent board members, including the chairman only one was female and thus did not meet the gender threshold. This was contrary to the Mwongozo Chapter 1 on Governance of Principles which provides that the composition and size of the Board should provide gender diversity, competences and skills required for the effective leadership of the organization.

2.3. Irregular Board and Board Committees' Composition

Review of the composition and function of the Board of Directors revealed the following anomalies: -

- i. Three Board committees of Strategy, Technical and Business Development Committee and Finance Committee had 5 members each instead of the recommended four being a third of total board composition of 11 members to obviate the risk of a committee conducting its business within the framework of a full Board structure
- ii. One (1) member of the board served in three (3) committees of Strategy, Technical and Business Development Committee, Finance Committee and Audit Committee contrary to the requirement that members can only sit in a maximum of two committees.
- iii. The alternate director representative for Inspectorate of State Corporations' appointment to the board could not be confirmed as there was no appointment letter. Consequently, the sitting allowances and other board allowances of kshs.513,050 was irregularly paid.

In circumstances, the effectiveness of the oversight and governance role of the Board could not be confirmed.

4.0 Slow implementation of the Project- Construction of Umaa Dam Water Supply and Irrigation Project in Kitui County

The contract No. NWHSA/OIT/001/2023-2024 for the construction of Umaa Dam Water Supply and Irrigation Project in Kitui County was awarded Vanqo Roads and Engineering Ltd and China Jiangxi International Economic and Technical Co. Ltd JV on 20 December, 2023 at a contract sum of Kshs.1,960,184,623 with a completion date of 2 January 2026.

Physical verification conducted in the month of December 2024 revealed that the contractor was on site. However, the project was incomplete and the following observations were made:

- i. The first payment certificate amounting to Kshs.284,657,419 (for preliminaries, provisional sum and grouting was made on 9/10/2024. The project was at 17% completion with 50% of the project duration having lapsed.
- ii. There were pipes bought by the previous contractor lying idle at the site which were exposed to sunlight thus they may be damaged.
- iii. Fencing of the site was not done and hence security of the construction site and materials could not be confirmed
- iv. Construction of the existing staff housing and other buildings-finishing were in progress.
- v. Pump house had not been completed.
- vi. Elevated water tank had not been installed.
- vii. Spillway construction was incomplete.
- viii. Downstream cofferdam are incomplete.

Further, the projects may not benefit the community which were intended to benefit in good time.

Responsibilities of Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 Authority's ability to continue to sustain its 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 Authority 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 Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

14. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE, 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments	5	397,500,000	353,000,000
		397,500,000	353,000,000
Revenue from exchange transactions			
Rendering of services	6	0	59,234,576
Rental revenue from facilities and equipment	7	48,158,876	59,921,701
Finance income - external investments	8	5,285,090	5,541,099
Other income	9	154,056,165	265,043,475
		207,500,131	389,740,852
Total revenue		605,000,131	742,740,852
Expenses			
Use of goods and services	10	92,470,636	90,654,465
Employee costs	11	388,012,245	364,308,492
Remuneration of directors	12	24,835,061	17,854,380
Depreciation and amortization expense	13	250,590,160	251,038,318
Repairs and maintenance	14	2,256,295	1,025,237
Grants & Subsidies	15	154,056,165	263,382,097
Total expenses		912,220,561	988,262,989
Other gains/losses			
Loss on Disposal	16	8,023,420	666,450
Taxation	17	8,009,670	532,914
Increase in Provision for Doubtful debts	18	14,632,270	0
Impairment Loss	19	0	0
Surplus/Deficit for the Period		(337,885,791)	(246,721,501)
Remission to National Treasury		0	0
Net Surplus (deficit) for the Period		(337,885,791)	(246,721,501)

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



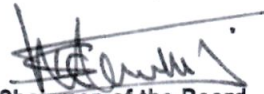
Ag. Chief Executive Officer
Eng. Julius K. Mugun PE, MIEK, MCI Arb

Date: 31-12-2024



Head of Finance
CPA Margaret Kithunzi
ICPAK Member
Number: 11469

Date: 31/12/2024



Chairman of the Board
CPA. Symon Kimaru

Date: 31/12/2024

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

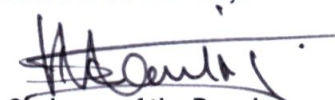
15. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE, 2024

	Notes	2023-2024 Kshs	2022-2023 Kshs
Assets			
Current assets			
Cash and cash equivalents	20	238,992,277	223,322,959
Receivables from exchange transactions	21	1,546,932,431	1,506,587,112
Receivables from non-exchange transactions	22	42,709,336	39,943,860
Inventories	23	25,397,070	25,583,189
Total Current Assets		1,854,031,114	1,795,437,120
Non-current assets			
Property, plant and equipment	24	34,449,478,044	33,792,963,142
Intangible assets	25	10,848,497	11,772,687
Total Non-current assets		34,460,326,541	33,804,735,829
Total assets		36,314,357,655	35,600,172,949
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	26	1,194,326,965	1,426,518,963
Current Provisions	27	7,904,087	8,333,873
Total Current liabilities		1,202,231,051	1,434,852,836
Total liabilities		1,202,231,051	1,434,852,836
Net assets		35,112,126,603	34,165,320,112
Revaluation Reserves		479,638,687	650,265,241
Accumulated Surplus/Deficit		(4,850,724,342)	(4,512,838,551)
Capital Fund		39,483,212,258	38,027,893,422
Total net assets and liabilities		35,112,126,603	34,165,320,112

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


Ag. Chief Executive Officer
Eng. Julius K. Mugun PE, MIEK, MCI Arb


Head of Finance
CPA Margaret Kithunzi
ICPAK Member
Number: 11469


Chairman of the Board
CPA. Symon Kimaru

Date: 31.12.2024

Date: 21/12/2024

Date: 31/12/2024

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

**16. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE, 2024**

	Revaluation Reserves Kshs	Accumulated Deficit Kshs	Capital/ Development Grants/Fund	Total
			Kshs	Kshs
At 1 July, 2022	821,091,795	(4,266,117,051)	37,021,150,519	33,576,125,263
Total comprehensive income	0	(246,721,501)	0	(246,721,501)
Depreciation - Amortized	(170,826,554)	0	0	(170,826,554)
Gain on Revaluation (Refer to Note 24)	-	0	0	0
Recognition of Omitted Assets (Refer to Note 24)	0	0	0	0
Development grants received during the year	0	0	1,270,125,000	1,270,125,000
Recognised as Other Incomes	0	0	(263,382,097)	(263,382,097)
At 30 June 2023	650,265,241	(4,512,838,551)	38,027,893,422	34,165,320,112
At 1 July, 2023	650,265,241	(4,512,838,551)	38,027,893,422	34,165,320,112
Total comprehensive income	0	(337,885,791)	0	(337,885,791)
Depreciation - Amortized	(170,626,554)	0	0	(170,626,554)
Gain on Revaluation (Refer to Note 24)	0	0	0	-
Recognition of Omitted Assets (Refer to Note 24)	0	0	0	-
Development grants received during the year	0	0	1,609,375,000	1,609,375,000
Recognised as Other Incomes	0	0	(154,056,165)	(154,056,165)
At 30 June 2024	479,638,687	(4,850,724,342)	39,483,212,258	35,112,126,603

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

17. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfer from other governments	5	397,500,000	353,000,000
Rendering of services	28(a)	30,127,017	35,046,463
Rental revenue from facilities and equipment	28(a)	50,587,996	42,648,548
Finance income - external investments	28(a)	3,918,024	5,008,185
Other income	28(a)	123,606,601	(241,500,092)
Total Receipts		605,739,638	194,203,104
Payments			
Use of goods and services	28(a)	92,284,517	94,721,092
Employee costs	28(a)	457,389,143	303,433,286
Remuneration of directors	12	24,835,061	17,854,380
Repairs and maintenance	14	2,256,295	1,025,237
Grants & Subsidies	28(a)	391,816,714	295,041,505
Total Payments		968,581,730	712,075,500
Net Cash generated from/(used in) Operating Activities	28	(362,842,092)	(518,538,846)
Cash flows from investing activities			
Purchase of PPE and intangible assets	24&25	(1,084,327,426)	(836,402,838)
Disposal/Transfer of PPE and intangible assets	24	7,520,000	1,687,500
Net cash flows used in investing activities		(1,076,807,426)	(834,715,338)
Cash flows from financing activities			
Receipts from Government grants*		1,455,318,835	1,006,742,903
Net cash flows used in financing activities		1,455,318,835	1,006,742,903
Increase/(Decrease) in cash and cash equivalents		15,669,318	(346,511,281)
Cash and cash equivalents at 1 July	20	223,322,959	569,834,241
Cash and cash equivalents at 30 JUNE		238,992,277	223,322,959

* Receipts from Government grants are Development Grants received during the period net of Expenses in Note 15.Grants & Subsidies (which are Recognised as Other Incomes).

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Government grants and subsidies - recurrent	355,500,000	42,000,000	397,500,000	397,500,000	0	100.00%
Other income A.I.A	100,000,000	0	100,000,000	45,420,547	54,579,453	45.42%
Total income	455,500,000	42,000,000	497,500,000	442,920,547	54,579,453	89.03%
Expenses						
Use of goods and services	58,100,000	25,768,912	83,868,912	92,470,636	(8,601,724)	110.26%
Employee costs	375,000,000	13,330,600	388,330,600	388,012,245	318,355	99.92%
Remuneration of directors	20,400,000	4,116,720	24,516,720	24,835,061	(318,341)	101.30%
Depreciation and amortization expense	0	0	0	250,590,160	(250,590,160)	
Repairs and maintenance	2,000,000	(1,216,232)	783,768	2,256,295	(1,472,527)	287.88%
Increase in Provision for Doubtful debts	0	0	0	14,632,270	(14,632,270)	
Taxation	0	0	0	8,009,670	(8,009,670)	
Impairment Loss	0	0	0	0	0	
Total expenditure	455,500,000	42,000,000	497,500,000	780,806,338	(283,306,338)	156.95%
Deficit for the period	-	-	-	(337,885,791)	337,885,791	

Notes:

- i) The Other income A.I.A's utilization of 125.69% was as a result of recognition of completed business unit assignments during previous years.
- ii) The Employee Cost variance was because of the budget cut during the year. The Authority carried forward a pending bill for medical insurance, though the same was expenses under accrual during the year.

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

Reconciliation

	a;	Financing	Investing	Total
	Kes.	Kes.	Kes.	Kes.
Amounts on comparable basis as presented in the Budget and Actual Comparative Statement	(337,885,791)	0	0	(337,885,791)
<i>Adjustments:</i>				0
Depreciation and amortization expense	250,590,160	0	0	250,590,160
Impairment Losses	0	0	0	0
Increase in Provision for Doubtful debts	14,632,270	0	0	14,632,270
Gain on Disposal of Assets	0			0
Actual amounts on comparable basis as presented in the Budget and Actual Comparative Statement	(72,663,360)	0	0	(72,663,360)
<i>(Basis Differences)</i>				
Receipts from Government grants	0	1,455,318,835	0	1,455,318,835
Purchase of PPE and intangible assets	0	0	(1,076,807,426)	(1,076,807,426)
Net receipts from Receivables from exchange transactions	(54,977,590)	0	0	(54,977,590)
Net receipts from Receivables from non-exchange transactions	(2,765,476)	0	0	(2,765,476)
Net Payments for Inventories	186,120	0	0	186,120
Net Payments for Trade and other payables from exchange trans Current Provision	(232,191,998)	0	0	(232,191,998)
Current Provisions	(429,786)	0	0	(429,786)
Total Basis Differences	(290,178,731)	1,455,318,835	(1,076,807,426)	88,332,679
Timing Differences	0	0	0	0
Total Entity Differences	0	0	0	0
Actual Amounts in the Statement of Cash Flows	(290,178,731)	1,455,318,835	(1,076,807,426)	15,669,319

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

National Water Harvesting and Storage Authority is established by and derives its authority and accountability from Water Act 2016. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activities are:

- Undertake on behalf of the national government, the development of national public water works for water resources storage and flood control;
- Maintain and manage national public water works infrastructure for water resources storage;
- Collect and provide information for the formulation by the Cabinet Secretary of the national water resources storage and flood control strategies;
- Develop a water harvesting policy and enforce water harvesting strategies;
- Undertake on behalf of the national government strategic water emergency interventions during drought; and
- Advise the Cabinet Secretary on any matter concerning national public water works for water storage and flood control.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS Accrual) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority.

The financial statements have been prepared in accordance with the PFM Act, the State Authority's Act and International Public Sector Accounting Standards (IPSAS Accrual). The accounting policies adopted have been consistently applied to all the years presented.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Authority and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

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

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

Rental income

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

b) Budget information

The original budget for FY 2023-2024 was approved by the National Assembly in June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. Upon receipt of the supplementary budget, the Authority's capital expenditure allocation was increased from Kes.1,905Million to Kes.2,335.5Million.

The Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 5 of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

d) Property, plant and equipment

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

Depreciation

The straight-line method of depreciation is used. This allocates the cost of the depreciable asset uniformly over its expected useful life. The annual depreciation is based on the full acquisition cost of the depreciable asset, net of its salvage value, as applicable. The rate applies from the date the asset is placed into use until it is disposed off/written off or until it is fully depreciated, whichever occurs first.

The following rates are used in computing depreciation:

ASSET CLASS	ESTIMATED USEFUL LIFE	DEPRECIATION RATE
	Years	%
HQ LAND & OTHER LAND	<i>infinite</i>	NIL
BUILDINGS & OTHER DEVELOPMENTS	40	2.50%
INFRASTRUCTURAL ASSETS (DAMS & WATER STRUCTURES)		
LARGE DAMS	50	2.00%
MEDIUM DAMS	50	2.00%
SMALL DAMS/PANS	25	4.00%
BOREHOLES/WELLS	40	2.50%
WATER TANKS/RESERVOIRS/BOOSTER STATIONS	25	4.00%
INTAKE WORKS/TREATMENT PLANTS	25	4.00%
OFFICE COMPUTERS & PERIPHERALS	3	33.33%
FURNITURE & FITTINGS	5	20.00%
OFFICE EQUIPMENT	5	20.00%
MOTOR VEHICLES & CYCLES	4	25.00%
PLANT & FIELD EQUIPMENT	20	5.00%

Valuation of assets to be undertaken every 3 years.

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Authority. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Authority also recognizes the associated lease liability at the inception of the lease. The liability

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

recognized is measured as the present value of the future minimum lease payments at initial recognition.

After initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Authority will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

f) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

g) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

h) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Authority.

i) Provisions

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Authority recognizes a contingent liability, by 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.

Contingent assets

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

j) Nature and purpose of reserves

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

Accumulated Reserves

This is the portion of net income that is maintained by the Authority. If a deficit is incurred, then it reduces the Authority's accumulated reserves balance.

Capital Fund

The Board adds all Development Grants to the Capital Fund, which is used for buying capital assets or funding projects. The fund decreases by the total cost of completed and transferred assets or projects. If an asset/project is still in progress, the Capital Fund remains unchanged.

Revaluation Reserve

The Board adopts the revaluation model for recognition of the Property Plant and Equipment. Where the first time an asset is revalued and such revaluation value is higher than the historical cost then such is carried as a revaluation reserve. Subsequent drops in value draw down the revaluation reserve.

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

The Authority provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Authority pays fixed contributions into a separate Authority (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

Related parties

The Authority regards a related party as a person or an Authority with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

o) Service concession arrangements

The Authority analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Authority recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Authority also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

p) 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.

q) Comparative figures

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

r) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Authority's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Some of the assumptions made include: That the entity is and shall continue being a going concern: that the entity shall continue receiving Government funding for its activities.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Authority 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 Authority. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Authority
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

5. TRANSFERS FROM OTHER GOVERNMENTS

Description	2023-2024	2022-2023
	KShs	KShs
Unconditional grants		
Operational grant – State Dept of Water	397,500,000	353,000,000
Total government grants and subsidies	397,500,000	353,000,000

5(b). TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Department sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2022-2023
	KShs	KShs	KShs	KShs	KShs
State Department of Irrigation	397,500,000	0	1,609,375,000	2,006,875,000	1,623,125,000
Total	397,500,000	0	1,609,375,000	2,006,875,000	1,623,125,000

6. RENDERING OF SERVICES

Description	2023-2024	2022-2023
	KShs	KShs
Sales - Drilling of Boreholes	0	59,234,576
Total revenue from the rendering of services	0	59,234,576

The Authority runs a Business Unit Division. Its primary function is to generate revenues to help boost the Recurrent Budget portion of Appropriations in Aid.

7. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2023-2024	2022-2023
	KShs	KShs
Operating lease revenues	48,158,876	59,921,701
Total rentals	48,158,876	59,921,701

The Authority leased out the Ground, 1st, 2nd and 3rd Floors including the Kitchen of National Water Plaza Building which houses its Head Quarters. Other buildings in the Head Quarter Land LR.NO.209/13971 have also been leased out.

8. FINANCE INCOME - EXTERNAL INVESTMENTS

Description	2023-2024	2022-2023
	KShs	KShs
Interest on monies held in current accounts with Kenya Commercial Bank Ltd	5,285,090	5,541,099
Total Finance Income	5,285,090	5,541,099

9. OTHER INCOME

Description	2023-2024	2022-2023
	KShs	KShs
Recognised capital fund	154,056,165	263,382,097
Insurance Recoveries	0	100,000
Gains from Liquidated Damages on Contracts	0	1,561,378
Total other income	154,056,165	265,043,475

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

The recognised capital fund relates to the expenses incurred on small dams, drilled boreholes, renovation & rehabilitation of plant & equipment, routine maintenance of project vehicles, expensed Large Dams and Dykes which are funded through Development Grants. The expenses have been recorded in Note 15 of the Grants and Subsidies

10. USE OF GOODS AND SERVICES

Description	2023-2024	2022-2023
	KShs	KShs
Electricity	9,094,113	8,245,802
Water	1,652,372	1,310,171
Security	16,486,352	9,081,704
Professional Services	0	782,092
Subscriptions	697,740	898,745
Publicity Costs	0	217,720
Audit fees	1,500,000	1,500,000
IT Expenses	1,168,276	580,511
Legal expenses	8,257,557	10,757,650
Resource Centre	387,560	905,815
Postage	131,974	136,758
Printing and Stationery	8,531,927	8,567,198
Monitoring & Evaluation	0	1,200,586
Local Travel Expenses	5,271,155	1,751,861
Insurance	7,904,974	7,933,837
Cleaning Costs	9,127,800	7,792,140
Bank Charges	507,788	584,963
Office Tea, Beverages and Consumables	782,490	826,500
Telecommunication	3,056,869	2,103,736
Training	3,835,010	1,628,275
Expenses - Rendering of Services	8,670,049	17,403,247
Motor Vehicle Expenses	0	856,800
Staff Welfare	5,406,632	5,588,355
Total good and services	92,470,636	90,654,465

11. EMPLOYEE COSTS

Description	2023-2024	2022-2023
	KShs	KShs
Salaries & Wages	197,794,473	196,034,627
Employer Contribution to Medical Insurance Scheme	42,158,916	25,846,447
Employer Contribution to Pension Scheme	38,599,620	35,105,206
Employer Contribution to NSSF	3,279,960	1,418,120
Employer Contribution to Housing Levy	4,104,044	0
Commuter Allowance	18,073,027	18,108,118
House Allowance	65,940,500	66,778,500
Overtime Allowance	2,774,310	2,063,475
NHIF Payments	0	137,750
Gratuity Payments	808,198	1,433,317
Extraneous Allowance	324,000	598,750
Leave Allowance	4,217,798	4,683,581
Acting Allowance	701,274	516,675
Entertainment Allowance	0	780,000
Intern Stipend	2,105,000	3,885,000
Commuted Leave Pymts	26,620	48,767
Non-practising Allowance	960,000	930,000
Responsibility Allowance	1,480,000	1,290,000
Training Levy	130,750	0

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

Disability/Assistant Allowance	240,000	240,000
Transfer Allowance	228,165	389,520
NHIF Relief	0	40,140
Mobile Air-Time	4,065,590	3,980,500
Employee costs	388,012,245	364,308,492

12.REMUNERATION OF DIRECTORS

Description	2023-2024	2022-2023
	KShs	KShs
Chairman's Honoraria	960,000	1,105,000
Sitting Allowance	7,740,001	5,962,600
Director's Housing Levy	50,032	0
Subsistence Allowance	8,647,600	6,679,400
Lunch Allowance	136,000	90,000
Mileage Claim	3,195,502	3,055,180
Airtime	60,000	0
Medical Insurance	318,347	0
Induction & Training	1,850,700	0
Catering	1,876,880	962,200
Total director emoluments	24,835,061	17,854,380

13.DEPRECIATION AND AMORTIZATION EXPENSE

Description	2023-2024	2022-2023
	KShs	KShs
Property, plant and equipment <i>(Refer to Note 24)</i>	245,246,870	245,239,830
Intangible assets <i>(Refer to Note 25)</i>	5,343,290	5,798,488
Total depreciation and amortization	250,590,160	251,038,318

14.REPAIRS AND MAINTENANCE

Description	2023-2024	2022-2023
	KShs	KShs
Buildings	2,256,295	1,008,237
Office Equipment	0	17,000
Total repairs and maintenance	2,256,295	1,025,237

15.GRANTS & SUBSIDIES

Description	2023-2024	2022-2023
	KShs	KShs
Expenses related to Small Dams	34,584,341	90,307,544
Expenses related to Research & Feasibility	36,573,869	5,723,717
Expenses related to Drilling	25,919,007	66,281,006
Expenses related to Large Dams	9,270,922	42,773,006
Expenses related to Dykes & Canals	24,165,072	11,841,894
Routine Maintenance of Project Vehicles	23,542,953	16,692,763
Court Awards related to capital projects	0	29,762,167
Total Grants and Subsidies	154,056,165	263,382,097

The expenses categorized as constructed/rehabilitated small dams and pans, drilled boreholes, research feasibility, motor vehicle/field equipment maintenance and Court awards related to capital projects are funded through the Development Grant. To match, the equivalent of the Grant is transferred from the Deferred Income (see note 25) and is recognized as Recognized capital fund under Note 9

16.LOSS ON SALE OF ASSETS

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

Description	2023-2024	2022-2023
	KShs	KShs
Property, plant & equipment	8,023,420	666,450
Total loss on sale of assets	8,023,420	666,450

17. TAX

Description	2023-2024	2022-2023
	KShs	KShs
Tax charged on Interest Income	1,367,067	532,914
Tax charged on Rental Revenue	6,642,604	0
Income tax expense reported in the statement of financial performance	8,009,670	532,914

18. INCREASE IN PROVISION FOR DOUBTFUL DEBTS

Description	2023-2024	2022-2023
	KShs	KShs
Increase in Provision for Doubtful Debts- Business Unit Debtors	3,161,537	0
Increase in Provision for Doubtful Debts- Rent Receivables	11,470,733	0
Change in Provision for Doubtful Debts	14,632,270	0

19. IMPAIRMENT LOSSES (Revaluation Losses - Refer to Note 24 PPE)

Description	2023-2024	2022-2023
	KShs	KShs
Buildings & Other Developments	0	0
Plant & Field Equipment	0	0
Infrastructural Assets - Large Dams	0	0
Total Impairment Losses	0	0

20. CASH AND CASH EQUIVALENTS

Description	2023-2024	2022-2023
	KShs	KShs
Current Accounts	238,992,277	223,322,959
Total cash and cash equivalents	238,992,277	223,322,959

20. (b) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENT

Financial institution	Account number	2023-2024	2022-2023
		KShs	KShs
a) Current account			
Kenya Commercial bank:			
Recurrent Account	1114280488	61,941,659	31,767,105
Development Account	1114280593	109,796,407	66,255,654
Special Account	1114279978	14,855,440	13,735,671
Deposits Account	1114279889	2,408,829	2,368,343
Retention Account	1124316329	32,627,829	109,196,186
Sub- total		221,630,165	223,322,959
Equity Bank Limited			
Current Account	1770283601408	17,362,112	0
Sub- total		17,362,112	0
Grand total		238,992,277	223,322,959

21. RECEIVABLES FROM EXCHANGE TRANSACTIONS

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

Description	2023-2024	2022-2023
	KShs	KShs
Current receivables		
Rent Receivable	42,573,538	51,645,262
Specific Provision for Doubtful Debts	(39,823,608)	(28,352,875)
Net Rent Receivable	2,749,930	23,292,387
Prepaid Insurance & others	46,240,767	9,821,111
Business Unit Debtors	142,385,908	145,205,814
Specific Provision for Doubtful Debts	(142,385,908)	(139,224,371)
Net Business Unit Debtors	0	5,981,443
Trade Receivables	998,249,337	967,799,773
Recoverable Advances	499,692,398	499,692,398
Total receivables	1,546,932,431	1,506,587,112

21. (b) RECONCILIATION FOR IMPAIRMENT ALLOWANCE ON RECEIVABLES FROM EXCHANGE TRANSACTIONS

Impairment Provision	2023-2024	2022-2023
	KShs	KShs
At the beginning of the year	167,577,246	167,577,246
Additional provisions during the year	14,632,270	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	182,209,516	167,577,246

22. RECEIVABLES FROM NON- EXCHANGE TRANSACTIONS

Description	2023-2024	2022-2023
	KShs	KShs
Current receivables		
Temporary Imprests to staff	53,912,116	51,146,640
Specific Provision for Doubtful Debts	(18,302,852)	(18,302,852)
Net Temporary Imprests to staff	35,609,264	32,843,788
Deposit with the Courts	7,100,072	7,100,072
Total current receivables	42,709,336	39,943,860

22. (b) RECONCILIATION FOR IMPAIRMENT ALLOWANCE ON RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Impairment Provision	2023-2024	2022-2023
	KShs	KShs
At the beginning of the year	18,302,852	18,302,852
Additional provisions during the year	0	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	18,302,852	18,302,852

23. INVENTORIES

Description	2023-2024	2022-2023
	KShs	KShs
Consumable stores	25,397,070	25,583,189
Total inventories at the lower of cost and net realizable value	25,397,070	25,583,189

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

24. PROPERTY PLANT AND EQUIPMENT

	HQ LAND & OTHER LAND	BUILDINGS & OTHER DEVELOPMENTS	PLANT & FIELD EQUIPMENT	MOTOR VEHICLES & CYCLES
Cost	Kshs	Kshs	Kshs	Kshs
At 30th June 2022 - Depreciable	4,634,900,000	1,088,300,000	106,440,000	84,470,000
At 30th June 2022 - Salvage	-	-	50,450,000	22,145,000
As 30th June 2022 - Total	4,634,900,000	1,088,300,000	156,890,000	106,615,000
Additions during the year				
Disposals				(2,150,000)
At 30th June 2023 - Depreciable	4,634,900,000	1,088,300,000	106,440,000	82,620,000
At 30th June 2023 - Salvage	-	-	50,450,000	21,845,000
As 30th June 2023 - Total	4,634,900,000	1,088,300,000	156,890,000	104,465,000
Additions during the year				
Disposals			(6,950,000)	(970,000)
At 30th June 2024 - Depreciable	4,634,900,000	1,088,300,000	106,440,000	81,820,000
At 30th June 2024 - Salvage	-	-	43,500,000	21,675,000
As 30th June 2024 - Total	4,634,900,000	1,088,300,000	149,940,000	103,495,000
Depreciation				
At 30th June 2022	-	27,207,500	5,322,000	21,017,500
Depreciation - Expensed during the Year		8,207,500		
Depreciation - Amortised to Revaluation Reserve	-	19,000,000	5,322,000	20,655,000
Disposal	-	-	-	(462,500)
At 30th June 2023	-	54,415,000	10,644,000	41,210,000
Depreciation - Expensed during the Year		8,207,500		
Depreciation - Amortised to Revaluation Reserve	-	19,000,000	5,322,000	20,455,000
Disposal	-	-	-	(400,000)
At 30th June 2024	-	81,622,500	15,966,000	61,265,000
Net book Values				
At 30th June 2024	4,634,900,000	1,006,677,500	133,974,000	42,230,000
At 30th June 2023	4,634,900,000	1,033,885,000	146,246,000	63,255,000
Dep Policy Rate	0.00%	2.50%	5.00%	25.00%

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

24. PROPERTY PLANT AND EQUIPMENT (Cont.1)

	FURNITURE & FITTINGS	OFFICE EQUIPMENT	OFFICE COMPUTERS & PERIPHERALS	INFRASTRUCTURAL ASSETS
				LARGE DAMS
Cost	Kshs	Kshs	Kshs	Kshs
At 30th June 2022 - Depreciable	21,064,480	21,333,950	23,251,600	4,000,000,000
At 30th June 2022 - Salvage	-	-	-	-
As 30th June 2022 - Total	21,064,480	21,333,950	23,251,600	4,000,000,000
Additions during the year				
Disposals				
At 30th June 2023 - Depreciable	21,064,480	21,333,950	23,251,600	4,000,000,000
At 30th June 2023 - Salvage	-	-	-	-
As 30th June 2023 - Total	21,064,480	21,333,950	23,251,600	4,000,000,000
Additions during the year		35,200		
Disposals				
At 30th June 2024 - Depreciable	21,064,480	21,369,150	23,251,600	4,000,000,000
At 30th June 2024 - Salvage	-	-	-	-
As 30th June 2024 - Total	21,064,480	21,369,150	23,251,600	4,000,000,000
Depreciation				
At 30th June 2022	4,212,896	4,266,790	7,750,533	80,000,000
Depreciation - Expensed during the Year	723,563	930,700	1,288,067	-
Depreciation - Amortised to Revaluation Reserve	3,489,333	3,336,090	6,462,467	80,000,000
Disposal	-	-	-	-
At 30th June 2023	8,425,792	8,533,580	15,501,067	160,000,000
Depreciation - Expensed during the Year	723,563	937,740	1,288,067	-
Depreciation - Amortised to Revaluation Reserve	3,489,333	3,336,090	6,462,467	80,000,000
Disposal	-	-	-	-
At 30th June 2024	12,638,688	12,807,410	23,251,600	240,000,000
Net book Values				
At 30th June 2024	8,425,792	8,561,740	-	3,760,000,000
At 30th June 2023	12,638,688	12,800,370	7,750,533	3,840,000,000
Dep Policy Rate	20.00%	20.00%	33.33%	2.00%

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

24. PROPERTY PLANT AND EQUIPMENT (Cont.2)

	INFRASTRUCTURAL ASSETS (cont.)			
	MEDIUM DAMS	SMALL DAMS/PANS	BOREHOLES/WELLS	WATER TANKS/RESERVOIRS/BOOSTER STATIONS
Cost	Kshs	Kshs	Kshs	Kshs
At 30th June 2022 - Depreciable	4,228,083,229	800,000,000	164,800,000	2,912,350,000
At 30th June 2022 - Salvage	-	-	-	-
As 30th June 2022 - Total	4,228,083,229	800,000,000	164,800,000	2,912,350,000
Additions during the year				
Disposals				
At 30th June 2023 - Depreciable	4,228,083,229	800,000,000	164,800,000	2,912,350,000
At 30th June 2023 - Salvage	-	-	-	-
As 30th June 2023 - Total	4,228,083,229	800,000,000	164,800,000	2,912,350,000
Additions during the year				
Disposals				
At 30th June 2024 - Depreciable	4,228,083,229	800,000,000	164,800,000	2,912,350,000
At 30th June 2024 - Salvage	-	-	-	-
As 30th June 2024 - Total	4,228,083,229	800,000,000	164,800,000	2,912,350,000
Depreciation				
At 30th June 2022	84,561,665	32,000,000	4,120,000	116,494,000
Depreciation - Expensed during the Year	52,000,000	32,000,000	4,120,000	116,494,000
Depreciation - Amortised to Revaluation Reserve	32,561,665	-	-	-
Disposal				
At 30th June 2023	169,123,329	64,000,000	8,240,000	232,988,000
Depreciation - Expensed during the Year	52,000,000	32,000,000	4,120,000	116,494,000
Depreciation - Amortised to Revaluation Reserve	32,561,664.57	-	-	-
Disposal	-	-	-	-
At 30th June 2024	253,684,994	96,000,000	12,360,000	349,482,000
Net book Values				
At 30th June 2024	3,974,398,235	704,000,000	152,440,000	2,562,868,000
At 30th June 2023	4,058,959,899	736,000,000	156,560,000	2,679,362,000
Dep Policy Rate	2.00%	4.00%	2.50%	4.00%

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

24. PROPERTY PLANT AND EQUIPMENT (Cont. 3)

		CAPITAL W.I.P	TOTAL
	INTAKE WORKS/TREATMENT PLANTS		
Cost	Kshs	Kshs	Kshs
At 30th June 2022 - Depreciable	736,900,000	14,896,254,813	33,718,148,072
At 30th June 2022 - Salvage	-	-	72,595,000
As 30th June 2022 - Total	736,900,000	14,896,254,813	33,790,743,072
Additions during the year		836,402,838	836,402,838
Disposals			(2,150,000)
At 30th June 2023 - Depreciable	736,900,000	15,732,657,651	34,552,700,910
At 30th June 2023 - Salvage	-	-	72,295,000
As 30th June 2023 - Total	736,900,000	15,732,657,651	34,624,995,910
Additions during the year		1,079,873,126	1,079,908,326
Disposals			(7,920,000)
At 30th June 2024 - Depreciable	736,900,000	16,812,530,777	35,631,809,235
At 30th June 2024 - Salvage	-	-	65,175,000
As 30th June 2024 - Total	736,900,000	16,812,530,777	35,696,984,235
Depreciation			
At 30th June 2022	29,476,000	-	416,428,884
Depreciation - Expensed during the Year	29,476,000	-	245,239,830
Depreciation - Amortised to Revaluation Reserve	-	-	170,826,554
Disposal	-	-	(462,500)
At 30th June 2023	58,952,000	-	832,032,768
Depreciation - Expensed during the Year	29,476,000	-	245,246,870
Depreciation - Amortised to Revaluation Reserve	-	-	170,626,554
Disposal	-	-	(400,000)
At 30th June 2024	88,428,000	-	1,247,506,192
Net book Values			
At 30th June 2024	648,472,000	16,812,530,777	34,449,478,044
At 30th June 2023	677,948,000	15,732,657,651	33,792,963,142
Dep Policy Rate	4.00%	0.00%	

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

The Capital Work in Progress includes costs associated with construction of Large Dams and Dykes & Canals. These assets, upon completion, transferred to assets. Details of the capital work in progress are as shown herebelow:

	2023-2024	Expensed Assets	Transfer to Assets	Transfer to Trade Receivables	Additions	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Large Dams	15,127,537,054	-	-	-	879,635,577	14,247,901,477
Dykes & Canals	1,684,993,723	-	-	-	200,237,549	1,484,756,174
Total	16,812,530,777	-	-	-	1,079,873,126	15,732,657,651

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

24 (b) PROPERTY, PLANT AND EQUIPMENT AT COST

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Hq Land & Other Land	4,634,900,000	0	4,634,900,000
Buildings & Other Developments	1,088,300,000	81,622,500	1,006,677,500
Plant & Field Equipment	149,940,000	15,966,000	133,974,000
Motor Vehicles & Cycles	103,495,000	61,265,000	42,230,000
Furniture & Fittings	21,064,480	12,638,688	8,425,792
Office Equipment	21,369,150	12,807,410	8,561,740
Office Computers & Peripherals	23,251,600	23,251,600	0
Infrastructural Assets:			
Large Dams	4,000,000,000	240,000,000	3,760,000,000
Medium Dams	4,228,083,229	253,684,994	3,974,398,235
Small Dams/Pans	800,000,000	96,000,000	704,000,000
Boreholes/Wells	164,800,000	12,360,000	152,440,000
Water Tanks/Reservoirs/Booster Stations	2,912,350,000	349,482,000	2,562,868,000
Intake Works/Treatment Plants	736,900,000	88,428,000	648,472,000
	18,884,453,459	1,247,506,192	17,636,947,267
Large Dams - Capital Work in Progress	15,127,537,054	0	15,127,537,054
Dykes & Canals - Capital Work in Progress	1,684,993,723	0	1,684,993,723
	16,812,530,777	0	16,812,530,777
Total	35,696,984,235	1,247,506,192	34,449,478,044

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

	Valuation	Normal Annual Depreciation Charge
	Kshs	Kshs
Motor Vehicles & Cycles	21,675,000	5,418,750
Plant & Field Equipment	43,500,000	2,175,000
	65,175,000	7,593,750

25. INTANGIBLE ASSET

Description	Microsoft Dynamics NAV 2016	Dynamics 365 Business Central	Total	
	KShs	KShs	KShs	KShs
	2023-2024	2023-2024	2023-2024	2022-2023
Cost				
At beginning of the year	37,146,430	24,518,900	61,665,330	61,665,330
Additions-internal development	0	4,419,100	4,419,100	0
At end of the year	37,146,430	28,938,000	66,084,430	61,665,330
Amortization and impairment				
At beginning of the year	36,380,277	13,512,366	49,892,643	44,094,155
Amortization	252,831	5,090,459	5,343,290	5,798,488
At end of the year	36,633,107	18,602,825	55,235,933	49,892,643
NBV	513,323	10,335,175	10,848,497	11,772,687
Dep Policy Rate	33%	33%		33%

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

26. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2023-2024	2022-2023
	KShs	KShs
Trade payables	649,870,570	804,039,407
Payments received in advance	27,337,785	30,674
Third-party payments	15,723,862	48,251,318
Retention held on behalf of suppliers	500,210,821	570,482,832
Claimables	1,183,926	3,714,733
Total trade and other payables	1,194,326,965	1,426,518,963

27. CURRENT PROVISIONS

Description	Gratuity	Audit Fees	Total	2022-2023
	KShs	KShs	KShs	KShs
Balance at the beginning of the year/period	2,333,873	6,000,000	8,333,873	5,400,556
Additional Provisions for the period	(1,929,786)	1,500,000	(429,786)	2,933,317
Change due to discount and time value of money	0	0	0	0
Transfers from non-current provisions	0	0	0	0
Total Provisions at the end of the year	404,087	7,500,000	7,904,087	8,333,873

28 (a) NET CASHFLOWS FROM OPERATING ACTIVITIES

	2023-2024	2022-2023
	KShs	KShs
Surplus for the year before tax	(337,885,791)	(246,721,501)
Adjusted for:		
Depreciation and Impairment	250,590,160	251,038,318
Increase in Provision for Doubtful debts	14,632,270	0
Impairment Loss	0	0
Working capital adjustments:		
Change in Inventories	186,120	(4,770,031)
Change in Receivables from exchange transactions	(54,977,590)	(504,417,036)
Change in Receivables from non-exchange transactions	(2,765,476)	13,547,029
Change in Trade and other payables from exchange transactions	(232,191,998)	(30,148,943)
Current provisions	(429,786)	2,933,317
Net cash flows from operating activities	(362,842,091)	(518,538,846)

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

28 (a) OTHER CASHFLOWS DISCLOSURES

Item	Financial Performance Amount (Kes.)		Adjustments		Cashflow Statement Amount (Kes.)
Rendering of services	0	ADD	Changes in Net Business Unit Debtors (B/F - C/F) in NOTE 21	5,981,443	
		ADD	Changes in Payments received in advance (C/F - B/F) in NOTE 26	27,307,111	
		LESS	Increase in Provision for Doubtful Debts- Business Unit Debtors in NOTE 18	3,161,537	
					30,127,017
Rental revenue from facilities and equipment	48,158,876	ADD	Changes in Net Rent Receivable (B/F - C/F) in NOTE 21	20,542,456	
		LESS	Tax charged on Rental Revenue in NOTE 17	6,642,604	
		LESS	Increase in Provision for Doubtful Debts- Rent Receivables in NOTE 18	11,470,733	
					50,587,996
Finance income - external investments	5,285,090	LESS	Tax charged on Interest Income in NOTE 17	1,367,067	
					3,918,024
Other income	154,056,165	ADD	Changes in Recoverable Advances (B/F - C/F) in NOTE 21	-	
		ADD	Changes in Trade Receivables (B/F - C/F) in NOTE 21	(30,449,564)	
					123,606,601
Use of goods and services	92,470,636	ADD	Changes in Deposit with the Courts (B/F - C/F) in NOTE 22	-	
		ADD	Changes in Inventories (B/F - C/F) in NOTE 23	(186,120)	
					92,284,517
Employee costs	388,012,245	ADD	Changes in Prepaid Insurance & others (B/F - C/F) in NOTE 21	36,419,656	

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

		LESS	Changes in Third Party Payments (B/F - C/F) in NOTE 26	(32,527,456)	
		LESS	Changes in Current Provisions (B/F - C/F) in NOTE 27	(429,786)	
					457,389,143
Grants & Subsidies	154,056,165	ADD	Changes in Net Temporary Imprests to staff (B/F - C/F) in NOTE 22	2,765,476	
		LESS	Changes in Trade payables (B/F - C/F) in NOTE 26	(154,168,837)	
		LESS	Changes in Retention held on behalf of suppliers (B/F - C/F) in NOTE 26	(70,272,011)	
		LESS	Changes in Claimables (B/F - C/F) in NOTE 26	(2,530,806)	
		ADD	Loss on Disposal in NOTE 16	8,023,420	
					391,816,714

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

29. FINANCIAL RISK MANAGEMENT

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

The Authority's financial risk management objectives and policies are detailed below:

(i) Credit risk

The Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

At 30 June 2024	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
Receivables from exchange transactions	1,546,932,431	499,692,398	1,047,240,033	0
Receivables from non exchange transactions	42,709,336	0	42,709,336	0
Bank balances	238,992,277	238,992,277	0	0
Total	1,828,634,044	738,684,675	1,089,949,369	0
At 30 June 2023				
Receivables from exchange transactions	1,506,587,112	499,692,398	1,006,894,714	0
Receivables from non exchange transactions	39,943,860	0	39,943,860	0
Bank balances	223,322,959	223,322,959	0	0
Total	1,769,853,931	723,015,357	1,046,838,574	0

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

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

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Authority's directors, who have built an appropriate liquidity risk management framework for the management of the Authority's short, medium and long-term funding and liquidity management requirements. The Authority manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 3 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade & Other Payables	4,657,898.0	183,897,654.0	1,005,771,412.6	1,194,326,964.6
Total	4,657,898.0	183,897,654.0	1,005,771,412.6	1,194,326,964.6
At 30 June 2023				
Trade & Other Payables	4,657,898.0	183,897,654.0	1,237,963,411.3	1,426,518,963.3
Total	4,657,898.0	183,897,654.0	1,237,963,411.3	1,426,518,963.3

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Authority on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Authority's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the Authority's exposure to market risks or the manner in which it manages and measures the risk.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Authority's market assumptions. These two types of inputs have created the following fair value hierarchy:

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

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

iv) Capital Risk Management

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

	2023-2024	2022-2023
	Kshs	Kshs
Revaluation reserve	479,638,687	650,265,241
Retained earnings	(4,850,724,342)	(4,512,838,551)
Capital reserve	39,483,212,258	38,027,893,422
Total funds	35,112,126,603	34,165,320,112
Total borrowings	0	0
Less: cash and bank balances	238,992,277	223,322,959
Net debt/(excess cash and cash equivalents)	(238,992,277)	(223,322,959)
Gearing		

30. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Authority, holding 100% of the Authority’s equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Authority, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Ministry of Water, Sanitation & Irrigation;
- iii) The Board of Directors;

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

	2023-2024	2022-2023
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt	2,006,875,000	1,623,125,000
Grants from County Government	0	0
Donations in kind	0	0
Total	2,006,875,000	1,623,125,000
b) Key management compensation		
Directors' emoluments	24,835,061	17,854,380
Total	24,835,061	17,854,380

31. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court Judgements, Arbitral Awards and Legal Fees	720,876,256	720,876,256
Total	720,876,256	720,876,256

32. CAPITAL COMMITMENTS

Capital commitments	2023-2024	2022-2023
	Kshs	Kshs
Authorised and contracted for:	41,712,000,000	41,712,000,000
Siyoi-Muruny Dam , Koru Dam Water Supply Project , Umaa Dam		
Total	41,712,000,000	41,712,000,000

33. DIVIDENDS/SURPLUS REMISSION

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

34. EVENTS AFTER THE REPORTING PERIOD

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

35. ULTIMATE AND HOLDING AUTHORITY

The Authority is a State Authority/ or a Semi- Autonomous Government Agency under the Ministry of Water & Sanitation. Its ultimate parent is the Government of Kenya.

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

20. APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref. No. on External Audit Report	Issue/Observation from Auditor	Management Comments	Focal Point	Status	Time Frame
1	<p>The statement of financial performance reflects employee cost amounting to Kshs.364,308,942 as disclosed in Note 11 to the financial statements. However the amount differs with supporting document balances totaling Ksh 367,053,920 resulting in an unexplained variance of Kshs 2,745,428. Further the amount includes staff welfare expense amounting to Kshs.5,588,355 which was misclassified as employee costs.</p> <p>In the circumstance, the accuracy and completeness of employee cost amounting to Kshs.364,308,942 could not be confirmed</p>	<p><i>The Management reclassified the staff welfare to the Use of Goods and Services as can be verified from the Audited Financial Statements for the year ended June 30, 2023.</i></p> <p><i>In addition, the ledgers in support of the Employee Costs including Salaries & Wages, Employer Contribution to NSSF, Commuter Allowance, House Allowances and Leave Allowances, have been provided in Annex 1.</i></p>	CEO	Resolved	30 th June 2023

2.1 Long Outstanding Reconciling Items

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

	<p>The statement of financial position reveals unposted and undercasted items totaling Ksh 34,467,267. However, the amounts have not been investigated and corrected in the cashbook accordingly</p>	<p><i>The Management presented the matter of the Reconciling Items to the Full Board which then approved the write-off of the long outstanding reconciling items through the Accumulated Reserves in line with Clause 148 & 157 of the Public Finance Management Act Regulations of 2015. In compliance with the Board Directive, the management wrote to the Parent Ministry on 22nd March 2024 seeking the write-off of the reconciling and cashbook undercast (Recurrent Account). See letter attached and marked as Annex 2. The management awaits the conclusion of the process.</i></p>	CEO	Not Resolved	30 th June 2025
2.2	<p>Unconfirmed Dormant Bank Accounts</p> <p>Note 20 (b) to the financial statements reveals Nil Equalization Fund bank account balance. However, no bank statements or certificates of bank balances were provided. In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.222,673,119 could not be confirmed.</p>	<p><i>The Equalization Fund Account was opened following a directive by the Parent Ministry for the purpose of transacting Equalization Funds as allocated by the Government from time to time. However, no funds had been received in the account. The bank has since closed the account due to dormancy. The management provided the bank statements for audit verification. See Annex 3.</i></p>	CEO	Resolved	30 th June 2024
3.1	<p>Inaccuracies in Receivables from Exchange Transactions</p> <p>There was a variance between the reported figure of Kes.1,506,587,112.00 in receivables from Exchange Transactions and the schedules supporting the same which totalled Kes.1,494,113,074.00. Further, the specific provision for bad debts was not specified in the Notes. Finally, there was no clear debt collection policy to guide on how to collect the long outstanding debts.</p>	<p><i>The Management provided schedules in support of Kes.1,506,587,112.00 as in Annex 4. The Authority has subsequently updated its provision for bad debt policy for receivables under exchange transactions. Any debt above 90 days is provided for. Further, the management has presented to the Board of Directors its proposed debt collection strategy for the long outstanding debts and awaits its approval.</i></p>	CEO	Not Resolved	30 th June 2025
4	<p>Land without Title Deeds</p>				

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

	<p>The statement of financial position reflects property, plant and equipment balance of Kshs.33,792,963,142 which as reflected in Note 24 to the financial statements includes an amount of Kshs.4,634,900,000 relating to ninety-three (93) parcels of land. However, fourteen (14) parcels out of the ninety-three (93) have been encroached. Further, out of Kshs.4,634,900,000, only land valued at an amount of Kshs.1,040,500,000 have ownership documents leaving a balance of land valued at Kshs.3,594,400,000 with no ownership documents.</p>	<p><i>The management has written to the State Department of Land & Physical Planning seeking assistance on registration of its parcels of land. Further, the Authority has sought the assistance of the Director of Criminal Investigation Ethics and Anti-Corruption Commission and the National Land Commission on recovery of grabbed land. See Annex 5.</i></p>	CEO	Not Resolved	30 th June 2025
5	<p>Inaccuracy of Retention Held on Behalf of Suppliers The statement of financial position and Note 26 to the financial statements reflects a trade and other payables from exchange transaction balance of Kshs.1,425,828,451 which includes an amount of Kshs.569,832,992 in respect of retention monies held on behalf of suppliers. These are monies deducted from contractors and deposited to the retention account. Review of the retention account as disclosed under Note 20(b) revealed a balance of Kshs.109,196,186 resulting to an explained variance of Kshs.461,286,646 an indication that retention monies have been irregularly utilized for other activities. However, Management did not explain how the retention monies will be settled as and when they fall due.</p>	<p><i>The Management agrees that there existed a variance between monies held in the retention account compared to funds set aside as retention deducted from contractors. This was a result of inadequate financing projects through budget cuts over some project' life, inadequate allocation of project thereby triggering first charge allocation on budgets and delayed receipts of grants, where in this case the final grant for the F/Y 2022/2023 was received on 6th July 2022. This led to delayed transfers of deducted retention from payment as funds are first committed to paying the contractors to avoid litigation and customers related to breach of payment contracts. The retention monies have however been reconciled with the retention ledger and has requested for sufficient funds to cover the contractor retentions. The same shall be made good in the FY 2024-2025.</i></p>	CEO	Not Resolved	30 th June 2025
1	<p>Long Outstanding Third-Party Payments</p>				

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

The statement of financial position reflects a trade and other payables from exchange transactions balance of Kshs.1,425,828,451 and as disclosed under Note 26 which includes Kshs.48,210,646 that relates to third party payments such as income tax deduction on consultancies, VAT Withheld, PAYE, NSSF, NHIF, employee Sacco deductions and other salary deductions have been outstanding for more than one financial year

The outstanding statutory dues were outstanding due to the cut-off date of 30th June 2023 as it related to the month of June 2023 which was within the financial year under audit. They were therefore not aged more than 30 days. The statutory dues were Withholding Taxes and Withholding Vat which were withheld from payments to contractors (as the Authority is an approved tax withholding agent), PAYE, HELB, NHIF and NSSF. The Law required that such dues be filed and paid by the 9th and 15th of the next month which was July 2023 and which fell in a different financial year. The same was duly remitted in the month of July 2023. See Annex 6.

CEO

Resolved

31st July, 2023

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

2	<p>Arbitration Claims Arising from Peace Dam Contract</p> <p>Note 31 to the financial statements reflects the contingent assets and liabilities of Kshs.720,876,256 for court judgements, arbitral awards and legal fees. Included in the amount is Kshs.397,440,203 relating to arbitration award after the ruling a judge being the sole Arbitrator accusing the Authority for costs associated with the delays and suspension of works, illegal deductions and claims. The arbitration awards relate to the tender number: NWHSA/ONT/007/2019-2020 which was signed on 18 March, 2020 at a contract sum Kshs.231,114,402 for construction of Turkana Peace Dam-Nakuetum site in Turkana which was completed and handed over to the Authority. As per the financial statement and assets register for the year ended 30 June 2022, the total cost for the dam to completion was Kshs.228,083,228. Should the Management pay the arbitration award of Kshs.397,440,203, it would amount to 172% payment over and above the contract sum hence the value for money claimed may not be realized.</p>	<p><i>The contractor litigated under arbitration a claim that arose during the construction of the dam culminating in the undesirable award of Kshs.397,440,203. Contractually, in the event of declaration of a dispute, the contract provided for the resolution of the matter before an arbitral tribunal constituting a bench of 3 arbitrators. However, the matter was determined by a sole arbitrator which was strongly opposed by the Authority by way of preliminary objection. The arbitral tribunal of a sole arbitrator disregarded the Authority's objection and proceeded to enter an arbitral award in favor of the claimant. On 28th February, 2023, the Authority filed an Application for Setting Aside the Arbitral Award at the High Court before Hon. Justice Mulwa. Thereafter, various applications have been filed before the High Court by the claimant seeking to enforce the arbitral award which was allowed and a garnishee order nisi issued in that application. Another application has also been filed by the firm of Gazemba Wekesa seeking to attach the legal fees for representing the claimant in the arbitral proceedings from the judgement sum. Arising from the latter application, a garnishee order nisi has also been issued in favour of Gazemba Wekesa. As a result of the aforementioned garnishee order nisis, the Authority has moved the court to stay those applications pending the hearing and determination of the setting aside application. Moreover, the Authority has moved the court for recusal of the Hon.. Justice Mulwa on grounds of lack of impartiality in the proceedings. The court has directed that parties file their submissions for the recusal application and a ruling date has been reserved for 13th November, 2024. See Annex 7.</i></p>	<p>CEO</p>	<p>Not Resolved</p>	<p>30th June 2025</p>
---	--	---	------------	---------------------	----------------------------------

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

1	Irregular Salary Deductions	<p>Review of the payroll revealed twenty-five (25) officers received net pays which was below a third of their gross salary. This is contrary to the employment act of 2007 which states that the total amount of all deductions made by an employer from the wages of his employee shall not exceed two-thirds of such wages</p>	<p><i>The non-compliance was, besides imprest recoveries, due to the implementation of statutory deductions in relation to NSSF Act, 2013 and Finance Act, 2023 which imposed new levies based on the gross salary of employees. At the time of implementing the mandatory new levies (NSSF and Affordable Housing), the affected employees were already taking home the minimum allowable one-third (1/3) of their basic salary after deductions, to service and meet both their statutory and personal financial obligations. (See attached Annex 8) The Authority has, however, vide letter Ref. No. NWHSA/HRA/SFIL/46 VOL. III/ (75) dated 15th December, 2023 sought advice from the Public Service Commission (PSC) on how to address the non-compliance in the backdrop of implementing mandatory Government Statutes. The feedback is still being awaited.</i></p>	CEO	Not Resolved	30 th December 2025
---	------------------------------------	---	--	-----	--------------	--------------------------------

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

2	Over-Establishment of Staff	<p>The Authority staff establishment, provides for one hundred (100) employees. However, during the audit in the month of February 2024 it was observed that one hundred and eighty-one (181) employees were in post, resulting into an over establishment of 81 employees, an equivalent of 81%, across the various staff cadres.</p>	<p><i>Prior to the current dispensation, the organization was operating with a Staff Establishment of 243No. against an In-Post of 190No. However, with the transition from National Water Conservation & Pipeline Corporation (NWCPC) to National Water Harvesting & Storage Authority (NWHSA), new Human Resource Policy Instruments were developed and approved by the State Corporations Advisory Committee (SCAC) in March 2022. The approved Staff Establishment provided for 100No. Staff against an In-Post of 190No. Staff at the time of approval. Section 149(3) of the Water Act, 2016 provided that, "A person who immediately before the Act was an employee of the NWCPC shall, on commencement of the Act, be deemed to be an employee of the NWHSA on terms to be determined by the Salaries and Remuneration Commission (SRC). The SCAC hence communicated the approval of the NWHSA Human Resource Policy Instruments vide letter Ref. No. OP/SCAC 9/38 dated 21st March 2022 wherein bullet 2(iii) it states that the 90No. existing posts beyond the approved Staff Establishment shall be held on supernumerary terms. The positions that have been earmarked to be held on supernumerary terms must not be filled upon exit of the current job holders. See Annex 9.</i></p>	CEO	Not Resolved	30 th December 2025
---	------------------------------------	--	---	-----	--------------	--------------------------------

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

3.1	<p>Delay in completion of Proposed Soin-Koru Multipurpose Dam Water Supply Project – Lot 1 (Dam Component)</p> <p>Physical inspection of the project in the month of February 2024 revealed that the project progress was only an average of 6.5% complete and the contractor had already suspended works from 19 September 2023 due to employer’s payment defaults. The project site land title deed was not available. In the circumstances, suspension of works may lead to delay in completion of works which may further result to cost overrun due to interest on delayed payments, claims due to idle equipment and variation in prices</p>	<p><i>Suspension of works was occasioned by the Authority's inability to clear the outstanding bills raised under the Soin-Koru project. This was because of inadequate allocation for the Financial Year 2023/2024 towards the project which was only Kes.100Million. Even so, as at the time of audit, the Authority had only received an exchequer of Kes.25Million under the budget. The Authority has however written to the Parent Ministry requesting for allocation of adequate funds for the project. The land title for the Soin-Koru dam land is yet to be obtained as the National Land Commission (NLC) is yet to finalize the acquisition of the Phase 2 Reservoir Land. Phase 1 (Priority Land on Embankment Area) was finalized. The delayed acquisition of Phase 2 Land is due to the lack of sufficient budget allocation under the project. The NLC had written to the Authority requesting Kes.2.2Billion to enable them compensate Project Affected Persons to process the Land Title. The Authority has on several occasions requested a budget allocation from the Parent Ministry. See Annex 10.</i></p>	CEO	Not Resolved	30 th June 2026
3.2	<p>Delayed Completion of Construction of Muruny (Siyoi) Dam (Lot I)</p> <p>The construction of Muruny (Siyoi) dam lot I at a revised contract sum of Kshs.5,628,862,499 commenced on 30 March, 2015 for a duration of 36 months with an expected completion date of 30 March 2018. The contract completion period was later revised to 16 March, to 2025.A performance security in the form of an unconditional bank guarantee in the amount(s) of 10% of the accepted contract amount however, the Management has not provided the performance guarantee for audit purposes</p>	<p><i>The Contractor provided an unconditional bank guarantee of 10% of the accepted contract amount at the commencement of the project (I.e March 2015). This guarantee was provided at the expense of the Contractor. It expired after three years which was the planned construction period, i.e. 30th March 2018. The project had not been completed after the intended construction period of three years due to lack of adequate funding which was responsibility of the Employer. Therefore, the extension of the performance guarantee required to be done at the expense of the Employer. The Employer has since written to the contractor to provide the same.</i></p>	CEO	Not Resolved	30 th June 2025

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

3.3	<p>Delay in Completion of Contract for the Construction of Water Supply Component Lot II n.</p> <p>Contract was signed on 7 November 2014 at a contract price of Kshs.4,149,828,304 the contract was expected to be completed within 36 months from the commencement date of 30th March 2015. The initial completion date was revised from 30 March 2018 to 30th October 2023 increasing the contract period to one hundred and three (103) months. As at the time of audit in January 2024, the overall progress of works executed was estimated at 96%</p>	<p><i>The contract was in Defects Notification Period which shall be 2 years commencing 30 October 2023. The Engineer certified the works as having been substantially complete having attained the 95% completion status. As such, the contract has not lapsed.</i></p>	CEO	Not Resolved	30 th October, 2025
3.3.1	<p>Lack of Motor Vehicle Logbooks -</p> <p>Two trucks were procured at a cost of Kshs.20,960,000 .However Management has not provided evidence of motor vehicle log books for the two (2) trucks increasing the risk of misappropriation of government assets</p>	<p><i>The Two exhauster trucks were purchased and handed over to the Kapenguria Water and Sewerage Company. The client is still in pursuit of the logbooks from the contractor and no contract closeout shall be done unless the logbooks have been provided and ownership status transferred accordingly.</i></p>	CEO	Not Resolved	30 th October, 2025
3.3.2	<p>Transferring of Assets to the Contractor</p> <p>The contractor was to provide temporary accommodation for the resident engineer and Senior staffs whose construction and maintenance cost were Kshs. 42,560,000 and Kshs.85,500,000, respectively, in accordance with certificate Number 25 and the junior staffs whose construction and maintenance cost were Kshs. 72,200,000 and Kshs. 109,440,000 respectively in accordance with certificate Number 25. However, the contractor constructed permanent houses and the Laboratory on leased land whose ownership/leasing agreement was not provided.</p>	<p><i>Negotiations are at an advance stage between the Client, County government and the contractor on how the permanent houses will be retained by the government after the end of the contract</i></p>	CEO	Not Resolved	30 th October, 2025

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

3.3.3 Lack of Title Deeds

The contractor constructed a laboratory and resident engineer's office at a cost of Kshs.9,333,287 on land whose ownership was not confirmed due to lack of ownership documents. In addition, Management has not provided land ownership documents for the parcels of land where the treatment plant and the twelve (12) water storage tanks have been constructed.

The completion of Muruny (Siyoi) Water Supply Project has been delayed due to inadequate and inconsistent funding. Consequently, this has affected the pace of land acquisition and compensation process. The compensation process has not been completed due to lack of sufficient budget and disputes with regards to ownership among others. The Authority in liaison with the National Land Commission is in the process of acquiring title deeds for all the parcels acquired for the project upon payment by the Authority of the sums requested for compensation and all disputes resolved. See Annex 11.

CEO

Not Resolved

30th June, 2025

4

Unrecovered Long Outstanding Imprests

The statement of financial position reflects receivables from non-exchange transactions totaling Kshs.39,943,860. The amount includes temporary imprest to staff amounting to Kshs.51,146,640 less specific provision for bad debts amounting to Kshs. 18,302,852 as disclosed in Note 22 to the financial statements. The temporary imprest to staff includes temporary imprests totalling Kshs 43 323. 741 issued to officers who had left the Authority as shown below:

The management, through a working party, presented an analysis of the Imprest Status of the Authority to the Board of Directors awaits its decision in its 1st Full Board Meeting of the FY 2024-2025. The Board directives shall be duly complied with to address the issue of the long outstanding imprest.

CEO

Not Resolved

30th June 2025

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

5	<p>Unauthorized Expenditure</p> <p>The statement of comparison of budget and actual amounts reflects final expenditure budget and actual on comparable basis amounting to Kshs.453,000,000 and Kshs.725,413,805, respectively, resulting in unauthorized expenditure of Kshs.272,413,805 or 60% of the budget. This was contrary to Section 43 (b) of Public Finance Management Regulations, 2015 which requires the Accounting Officer to ensure that public funds entrusted to their care are applied for purposes for only which they were intended and appropriated by the National Assembly.</p>	<p><i>The Authority is a non-income generating entity which majorly relies on Government exchequer financing to achieve its mandate of Flood Control and Water Storage. The YEAR'S DEFICIT AND ACCUMULATED DEFICIT had been escalated by non-cash based and unbudgeted expenses, including:</i></p> <ul style="list-style-type: none"> ü Depreciation and amortization expenses (251,038,318), ü Unbudgeted expenses related to Rendering of Expenses under Note 10 of Kes.17,403,247 which are incurred to generate Appropriations in Aid, and ü Accrued expenses under the Legal Fees, Medical and Security Costs which are reported in compliance with the Accrual Principle. The perceived over-funding is because of financial reporting of rendering of services as gross. Besides, sales include sales on credit terms and therefore no cash was received as most were reported as Receivables. 	CEO	Not Resolved	30 th June 2025
6	<p>Lack of Gender Balance in Composition of the Board</p> <p>Review of the Board composition revealed that the governance principles in Mwongozo were not complied with in the appointment of the Board Members. The current Board has ten (10) Board Members with only one female. The Authority has not complied with the governance principles in chapter 1 of Mwongozo, which states that, the composition and size of the board should provide a diversity of gender, competencies and skills required for the effective leadership of the organization.</p>	<p><i>The Management has notified the Cabinet Secretary of the non-compliance and awaits further guidance on the same. See Annex 12</i></p>	CEO	Not Resolved	30 th June 2026

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

7	<p>Stalled Projects - Boreholes</p> <p>During the year under review, the Authority undertook to drill and equip boreholes in various regions. However, review of projects implementation status during physical verification exercise on January, 2024 revealed that nineteen (19) projects with an initial contract sum totalling Kshs. 1,244,761,173 relating to 2021/2022 and 2022/2023 financial years were commenced but had stalled at different stages due to various reasons including; failure to complete critical installations, abandonment and the contractors left sites while for others, the contract periods had expired but had not been renewed.</p>	<p><i>Contracts had stalled due to non availability of funds to clear outstanding bills arising from implementation of the projects. However, a budget was provided in the FY 2023-2024 all bills cleared. All contractors have since resumed construction works and shall complete the same by June 30, 2025. See Annex 13</i></p>	CEO	Not Resolved	30 th June 2025
1	<p>Non-Renewal of Lease Agreements</p> <p>As previously reported, the Authority entered into a lease agreement with the Nairobi Water and Sewerage Company Limited on 1 December, 2016 for a period of five (5) years. This lease agreement expired on 1 December, 2021. The Authority also entered into another agreement with the Board of Trustees of the National Environment Trust Fund on 5 December, 2017 which also expired in December, 2022. However, there was no evidence of renewal of the contracts for the two (2) tenants while the tenants are still in the premises.</p>	<p><i>The Nairobi City Water & Sewerage Company Limited and the National Environment Trust Fund valid Sub-Lease agreements were provided. See Annex 14.</i></p>	CEO	Resolved	30 th June 2024
2	<p>Un-Approved Board Charter</p> <p>Review of the board records revealed that the Authority has an unapproved board charter. This is contrary to Mwongozo Parameter 1.11 which states that the Board should develop and adopt a Board Charter that defines the role, responsibilities and functions of the Board in the governance of the organization.</p>	<p><i>The Board Charter was approved by Board of Directors in their 2nd Special Full Board Meeting of 25th March 2024. See Annex 15.</i></p>	CEO	Resolved	30 th June 2024

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

3

Lack of a Risk Management Policy

Review of the internal controls and strategies of the Authority revealed that the Authority had no Risk Management Policy in place to guide in the risk ranking of all the functions of the authority. This was contrary to the Public Finance Management (National Government Regulations) 2015 that under Regulation 165 (1) which requires a National Government entity develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations

The Management appointed a committee to prepare the subject policy. The committee shall prepare and submit its report to the management so that the same is presented to the Board of Directors for approval. See appointment attached and marked as Annex 16.

CEO

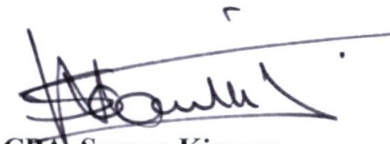
Not
Resolved

30th June 2025



Eng. Julius K. Mugun PE, MIEK, MCI Arb
Ag. Chief Executive Officer

Date: 31.12.2024



CPA. Symon Kimaru
Chairman of the Board

Date: 31/12/2024

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

APPENDIX II: PROJECTS IMPLEMENTED BY THE AUTHORITY

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
		Ksh	Ksh	%	Ksh	Ksh	
Completed Projects							
	Dykes - Flood Control Programme						
1	KAWALASE FLOOD CONTROL PROJECT IN TURKANA COUNTY	74,004,326.00	74,004,326.00	100%	74,004,326.00	74,004,326.00	GoK
	KAWALASE FLOOD CONTROL PROJECT IN TURKANA COUNTY	40,000,000.00	40,000,000.00	100%	39,688,941.00	39,688,941.00	GoK
2	CONSTRUCTION OF DYKE ALONG RIVER KUJA IN MIGORI COUNTY (KABUTO VILLAGE).	30,000,000.00	30,000,000.00	100%	17,634,752.50	17,634,752.50	GoK
3	CONSTRUCTION OF DYKE ALONG RIVER AWACH TENDE LOCATED IN HOMABAY COUNTY	30,000,000.00	30,000,000.00	100%	17,341,825.00	17,341,825.00	GoK
4	RIVER PERKERRA FLOOD CONTROL PROJECT IN BARINGO COUNTY	30,000,000.00	30,000,000.00	100%	17,341,191.00	17,341,191.00	GoK
5	REHABILITATION OF KIMIRA FLOOD CONTROL DYKE LOCATED IN SUBA SOUTH SUB-COUNTY IN HOMABAY COUNTY	30,000,000.00	30,000,000.00	100%	18,003,323.00	18,003,323.00	GoK
6	CONSTRUCTION OF RIVER SABWANI FLOOD CONTROL DYKE LOCATED IN KWANZA SUB-COUNTY IN TRANS NZOIA COUNTY	30,000,000.00	30,000,000.00	100%	16,973,523.05	16,973,523.05	GoK
7	CONSTRUCTION OF LAKE KANYABOLI FOUR-CELL 2.5X2.5 BOX CULVERT LOCATED IN ALEGO-USONGA SUB-COUNTY IN SIAYA COUNTY	30,000,000.00	30,000,000.00	100%	17,317,050.29	17,317,050.29	GoK
8	CONSTRUCTION OF RIVER SONDU MIRIU (MARINE) FLOOD CONTROL DYKE LOCATED IN NYAKACH SUB-COUNTY IN KISUMU COUNTY	30,000,000.00	30,000,000.00	100%	17,660,156.91	17,660,156.91	GoK
9	CONSTRUCTION OF OSINONI FLOOD CONTROL CHECK DAM LOCATED IN NAROK NORTH SUB-COUNTY IN NAROK COUNTY.	50,000,000.00	50,000,000.00	20%	35,487,618.10	35,487,618.10	GoK
10	CONSTRUCTION OF SOLOLO FLOOD CONTROL WORKS	30,000,000.00	30,000,000.00	100%	17,495,990.00	17,495,990.00	GoK
Ongoing Projects							
	Large Dams						

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

1	MURUNY (SIYOI) DAM	12,375,000,000	10,820,000,000	84%	530,000,000	530,000,000	GoK
2	SOIN-KORU DAM	22,500,000,000	1,670,000,000	7%	100,000,000	100,000,000	GoK
3	BADASA DAM	3,627,316,000	2,153,000,000	56%	50,000,000	50,000,000	GoK
4	UMAA DAM	2,771,024,000	1,875,000,000	69%	250,000,000	250,000,000	GoK
	Water for Schools/Cross County/Ground Water Projects						
1	DRILLING AND EQUIPPING OF SEVEN (7) NO. BOREHOLES AND CONSTRUCTION OF ELEVATED PRESSED STEEL WATER TANK ATBUGUTE PRIMARY SCHOOL, KAKAMEGA, KOBOCH VILLAGE, HOMA BAY, KARUODHO VILLAGE, HOMA BAY, KASARANI MARKET, KAKAMEGA OJIENDA KAKNIE VILLAGE, KISUMU, SHIRAKARU SECONDARY SCHOO, BUNGOMA AND ST. ANNAS MUSOLI GIRLS SECONDARY SCHOOL, KAKAMEGA COUNTY	45,999,999	45,999,999	50%	50,000,000	45,999,999	GoK
2	DRILLING AND EQUIPPING OF THREE (3) NO. BOREHOLES AND CONSTRUCTION OF ELEVATED PRESSED STEEL WATER TANK AT SHAMUSIANJIRI PRIMARY SCHOOL, KASAVAI PRIMARY SCHOOL, LIRHEMBE PRIMARY SCHOOL IN KAKAMEGA COUNTY	24,281,917	24,281,917	50%	30,000,000	24,281,917	GoK

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

APPENDIX III: INTER-AUTHORITY TRANSFERS

ENTITY NAME:		NATIONAL WATER HARVESTING & STORAGE AUTHORITY		
Break down of Transfers from the State Department of Water				
FY 2023-2024				
a. Recurrent Grants				
	<u>Bank Statement Date</u>			
	<u>Month/day/year</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>	
	8/2/2023	29,625,000.00	FY 2023-2024	
	9/9/2023	29,625,000.00	FY 2023-2024	
	10/12/2023	29,625,000.00	FY 2023-2024	
	11/10/2023	29,625,000.00	FY 2023-2024	
	12/6/2023	29,625,000.00	FY 2023-2024	
	1/3/2024	29,625,000.00	FY 2023-2024	
	2/15/2024	36,625,000.00	FY 2023-2024	
	3/12/2024	36,625,000.00	FY 2023-2024	
	4/17/2024	36,625,000.00	FY 2023-2024	
	6/3/2024	36,625,000.00	FY 2023-2024	
	6/10/2024	36,625,000.00	FY 2023-2024	
	6/21/2024	36,625,000.00	FY 2023-2024	
		397,500,000.00		
b. Development Grants				
	<u>Bank Statement Date</u>			
	<u>Month/day/year</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>	
	7/3/2023	226,875,000.00	FY 2023-2024	
	9/29/2023	387,500,000.00	FY 2023-2024	
	3/5/2024	387,500,000.00	FY 2023-2024	
	3/7/2024	110,000,000.00	FY 2023-2024	
	5/16/2024	497,500,000.00	FY 2023-2024	
	Total	1,609,375,000.00		

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

Manager Finance & Accounts
National Water Harvesting & Storage Authority

Sign 

Head of Accounting Unit
Ministry of Water, Sanitation
and Irrigation

Sign-----

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

APPENDIX IV: TRANSFERS FROM OTHER GOVERNMENT ENTITIES

NWS&I	Date received	Grant	Where Recorded/recognized					Total Transfers during the Year	
	as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables		Others - must be specific
MWS&I	8/2/2023	Recurrent	29,625,000.00	29,625,000.00					29,625,000.00
MWS&I	9/9/2023	Recurrent	29,625,000.00	29,625,000.00					29,625,000.00
MWS&I	10/12/2023	Recurrent	29,625,000.00	29,625,000.00					29,625,000.00
MWS&I	11/10/2023	Recurrent	29,625,000.00	29,625,000.00					29,625,000.00
MWS&I	12/6/2023	Recurrent	29,625,000.00	29,625,000.00					29,625,000.00
MWS&I	1/3/2024	Recurrent	29,625,000.00	29,625,000.00					29,625,000.00
MWS&I	2/15/2024	Recurrent	36,625,000.00	36,625,000.00					36,625,000.00
MWS&I	3/12/2024	Recurrent	36,625,000.00	36,625,000.00					36,625,000.00
MWS&I	4/17/2024	Recurrent	36,625,000.00	36,625,000.00					36,625,000.00
MWS&I	6/3/2024	Recurrent	36,625,000.00	36,625,000.00					36,625,000.00
MWS&I	6/10/2024	Recurrent	36,625,000.00	36,625,000.00					36,625,000.00
MWS&I	6/21/2024	Recurrent	36,625,000.00	36,625,000.00					36,625,000.00
MWS&I	7/3/2023	Development			226,875,000.00				226,875,000.00
MWS&I	9/29/2023	Development			387,500,000.00				387,500,000.00
MWS&I	3/5/2024	Development			387,500,000.00				387,500,000.00
MWS&I	3/7/2024	Development			110,000,000.00				110,000,000.00
MWS&I	5/16/2024	Development			497,500,000.00				497,500,000.00
Total			397,500,000.00	397,500,000.00	1,609,375,000.00	0.00	0.00	0.00	2,006,875,000.00

National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024

APPENDIX V- INTER-ENTITY CONFIRMATION LETTER

The Principal Secretary,
 State Department for Irrigation
 Ministry of Water, Sanitation and Irrigation,
 P.O. Box 49720-00100,
NAIROBI.

The [NATIONAL WATER HARVESTING & STORAGE AUTHORITY] wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [NATIONAL WATER HARVESTING & STORAGE AUTHORITY] as at 30 th June (2024)								
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June (Current FY)				Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (KShs) as at 30 th June (Previous FY) (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
	8/2/2023	29,625,000.00				29,625,000.00		
	9/9/2023	29,625,000.00				29,625,000.00		
	10/12/2023	29,625,000.00				29,625,000.00		
	11/10/2023	29,625,000.00				29,625,000.00		
	12/6/2023	29,625,000.00				29,625,000.00		
	1/3/2024	29,625,000.00				29,625,000.00		
	2/15/2024	36,625,000.00				36,625,000.00		
	3/12/2024	36,625,000.00				36,625,000.00		
	4/17/2024	36,625,000.00				36,625,000.00		
	6/3/2024	36,625,000.00				36,625,000.00		
	6/10/2024	36,625,000.00				36,625,000.00		
	6/21/2024	36,625,000.00				36,625,000.00		
	7/3/2023		226,875,000.00			226,875,000.00		

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

	9/29/2023		387,500,000.00		387,500,000.00		
	3/5/2024		387,500,000.00		387,500,000.00		
	3/7/2024		110,000,000.00		110,000,000.00		
	5/16/2024		497,500,000.00		497,500,000.00		
Total		397,500,000.00	1,609,375,000.00		2,006,875,000.00		

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

Head of Accountants department of State Department of Irrigation:

Name **Sign** **Date**

**National Water Harvesting & Storage Authority
 Annual Report and Financial Statements
 for the year ended June 30, 2024**

APPENDIX VI: REPORTING OF CLIMATE RELEVANT EXPENDITURES

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
NONE									

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2024**

APPENDIX VII: REPORTING ON DISASTER MANAGEMENT EXPENDITURE

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
1015000 Water Storage and Flood Control	1104102100 Flood Control	Floods	Mitigation	Dykes/River training/Check dams construction	830.00Million	Construction of dykes along river banks, river training and construction of check dams.