

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

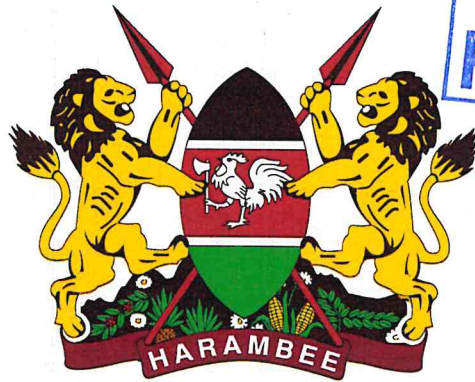
ON

**KENYA TOWNS SUSTAINABLE
WATER SUPPLY AND SANITATION
PROGRAMME - CR. NO. P-KE-E00-011
(AfDB LOAN NO.2000200000501)**

**FOR THE YEAR ENDED
30 JUNE, 2021**

**RIFT VALLEY WATER WORKS
DEVELOPMENT AGENCY**

THE NATIONAL ASSEMBLY PARLIAMENTARY COMMISSION	
DATE: 17 FEB 2022	DAY: THUR
TABLED BY:	LDM
CLERK:	C. Ndindu



**PROJECT NAME: KENYA TOWNS SUSTAINABLE WATER SUPPLY AND SANITATION
PROGRAMME**

**IMPLEMENTING ENTITY: CENTRAL RIFT VALLEY WATER WORKS DEVELOPMENT
AGENCY**

**PROJECT GRANT/CREDIT NUMBER: P-KE-E00-011
(AfDB LOAN NO. 2000200000501)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30th, 2021**

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

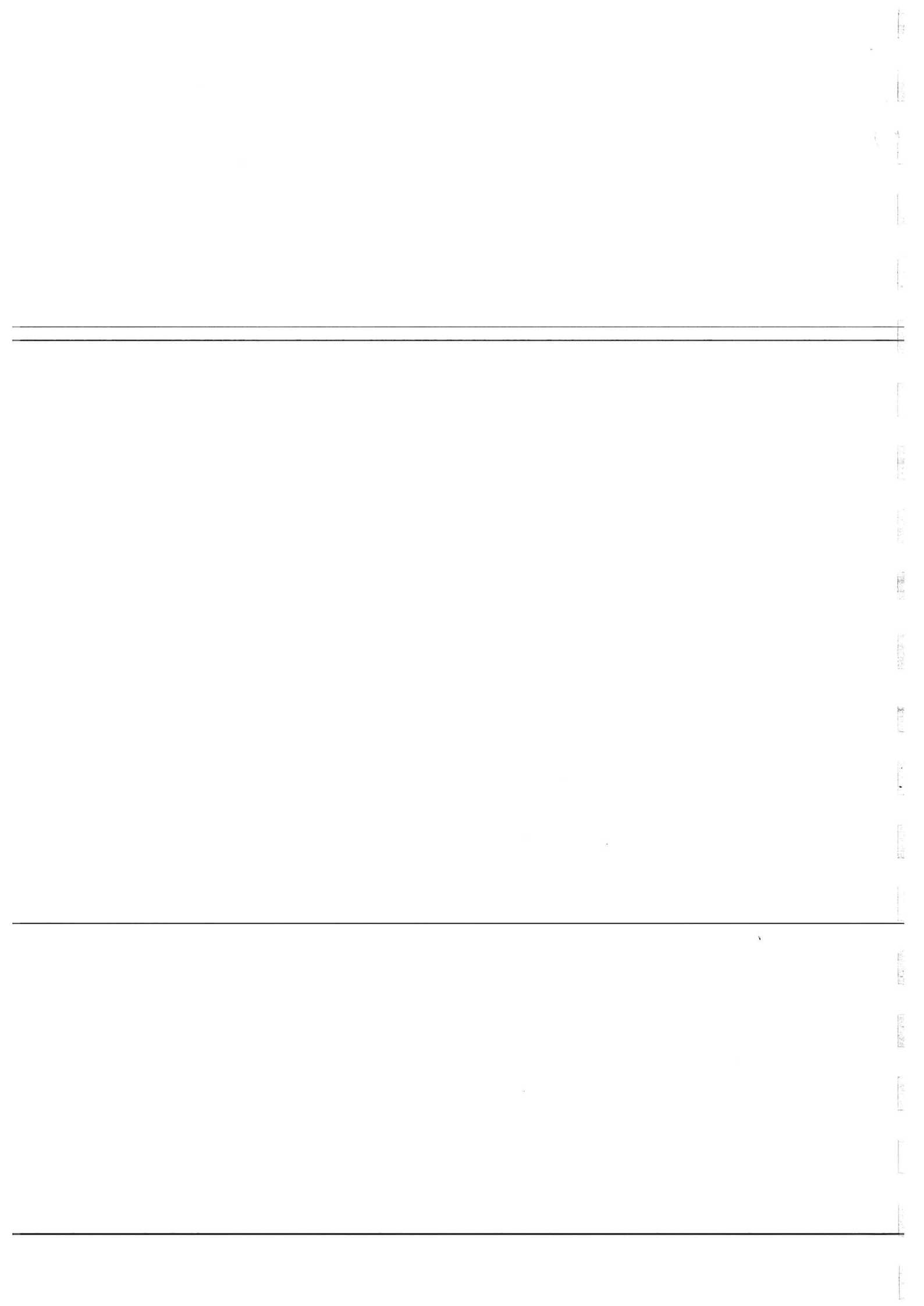


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ABBREVIATIONS

KTSWSSP	Kenya Towns Sustainable Water Supply & Sanitation Project
AfDB	African Development Bank
ADF	African Development Fund
MIC	Middle Income Countries
GOK	Government of Kenya
KFS	Kenya Forest Services
WRA	Water Resources Authority
NEMA	National Environment & Management Authority
KeRRA	Kenya Rural Roads Authority
KeNHA	Kenya National Highways Authority
EMCA	Environmental Management and Coordination Act 1999
OSHA	Occupational Safety and Health Act of 2007
ERP	Enterprise Resource Planning

1 PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Kenya Towns Sustainable Water Supply and Sanitation Project.

Objective:

The key objective of the project is to improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns in Kenya.

Address: Central Rift Valley Water Works Development Agency
Maji Plaza
Prisons Road
Off Nakuru-Eldama Ravine Highway
P. O. Box 2451-20100
Nakuru.
Telephone: (254) 2213557
E-mail: info@crvwwda.go.ke
Website: www.crvwwda.go.ke

1.2 Project Information

Project Start Date:	01/01 2017
Project End Date:	31/12/2021
Revised End Date	31/12/2023
Project Manager:	Mr. Charles M. Murage
Project Sponsor:	African Development Bank

1.3 Project Overview

Ministry	The project is under the supervision of the Ministry of Water, Sanitation and Irrigation.
Project number	P-KE-E00-011
Strategic goals of the project	The strategic goals of the project are as follows: (i) Catalysing commercial activities. (ii) Driving Economic growth. (iii)Employment Creation. (iv)Improving quality of life of the people. (v) Building resilience against Variability and change.
Planned	The project management aims to achieve the goals through the following

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Reports and Financial Statements
For the financial year ended June 30, 2021*

1.6 Roles and Responsibilities

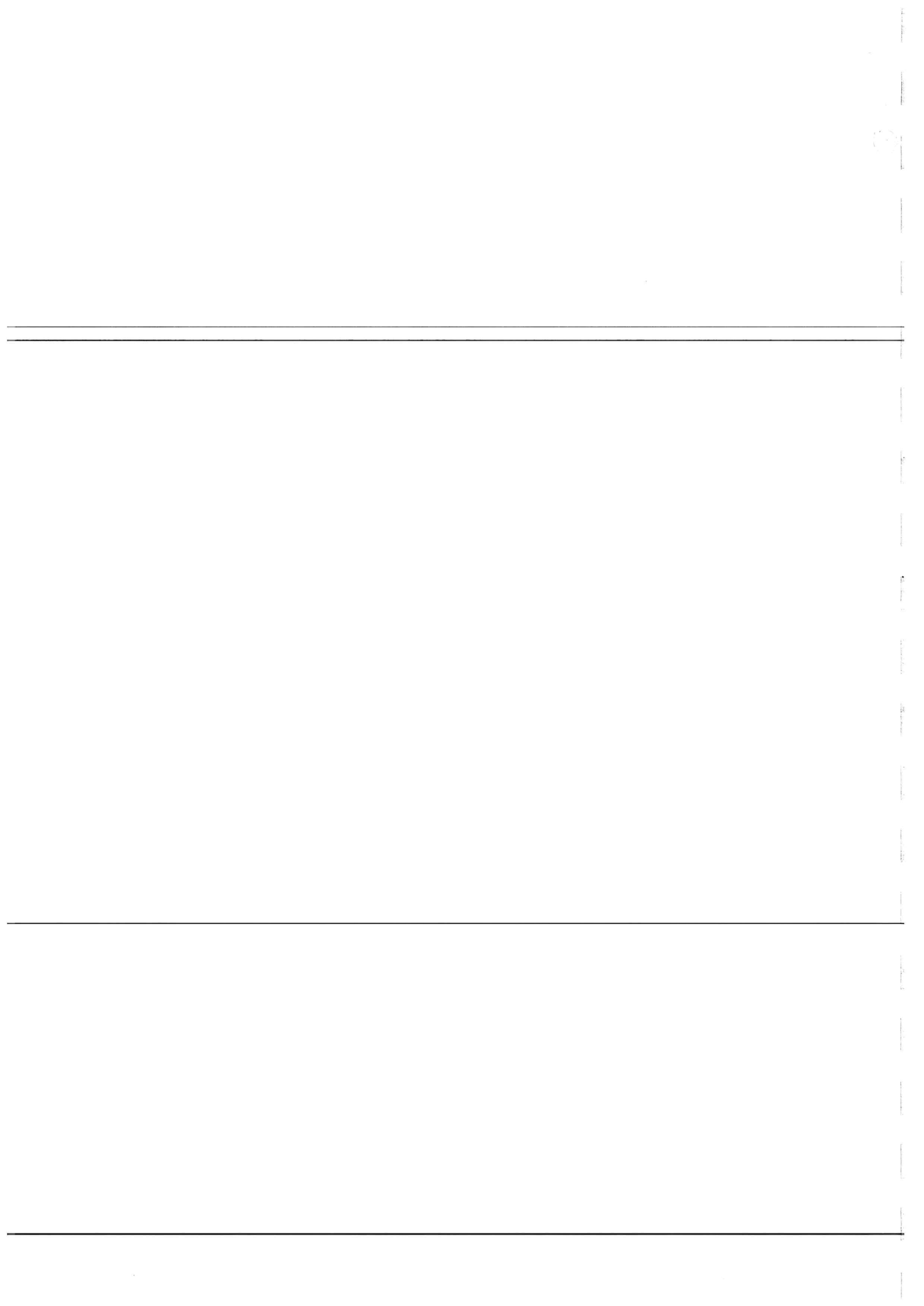
Names	Title designation	Key Qualifications	Responsibilities
Eng. Samuel K. Oruma	Ag. Chief Executive Officer	MSc. Integrated Water Resources and Watershed Management Bachelor of Technology in Civil and Structural Engineering.	Accounting Officer
Mr. Charles M. Murage	Project Coordinator	Bachelor of Technology in Civil Engineering, Higher Diploma in Water Engineering.	Project Coordinator
Eng. Patrose Leshinka S.	Programme Engineer	Bsc. Degree in Civil and Structural Engineering. Registered Graduate Engineer.	Project Engineer
Eng. Philip Kimeli	Environmental Engineer	Msc Science & Climate Change Bsc. in soil water& Environmental Engineering.	Environmentalist
William Sakuda	Procurement Manager	Master's in Business Administration, BSC Mathematic and Diploma in Procurement.	Procurement Expert
Agnes. J. Bowen	Accountant	Master's in Business Administration (Finance Option) BCom degree in Finance. Registered Accountant.	Project Accountant

1.7 Funding summary

The Projects duration is for five years from 2017 to 2021 with an approved budget of UA 125.687 million equivalents to Kshs. 18.017B as highlighted in the table below:

Funding summary:

Source of Funds	Donor Commitment		Amount Received to Date- 30/06/2021		Undrawn Balance to Date 30/06/2021	
	Donor Currency (UA)	Kshs	Donor Currency (UA)	Kshs	Donor Currency (UA)	Kshs
	(A)	(A)	(B)	(B)	(A')-(B')	(A')-(B')
Grants & loans						
AfDB Loan	108,275,200.66	15,483,353,694	29,198,347.78	4,175,363,733	79,076,852.88	11,307,989,961
ADF Loan	2,447,552.45	350,000,000	1,265,488.78	180,964,895	1,182,063.67	169,035,105
ADF Grant	145,429.55	20,796,425	18,540.02	2,651,222	126,889.53	18,145,203
MIC Grant	629,370.63	90,000,000	295,908.57	42,314,926	333,462.06	47,685,074
Sub Total	111,497,553.29	15,944,150,119	30,778,285.15	4,401,294,776	80,719,268.14	11,542,855,343
Counterpart funds					-	-
Government of Kenya	14,462,637.00	2,073,227,699	2,469,607.00	356,559,620	11,993,030.00	1,716,668,079
Total	125,960,190.29	18,017,377,818	33,247,892.15	4,757,854,396	92,712,298.14	13,259,523,422



1.8 Summary of Overall Project Performance:

Budget performance against actual amounts for current year and cumulative to-date.

The Budget performance against actual amount for current year and cumulative was good despite many challenges facing the program.

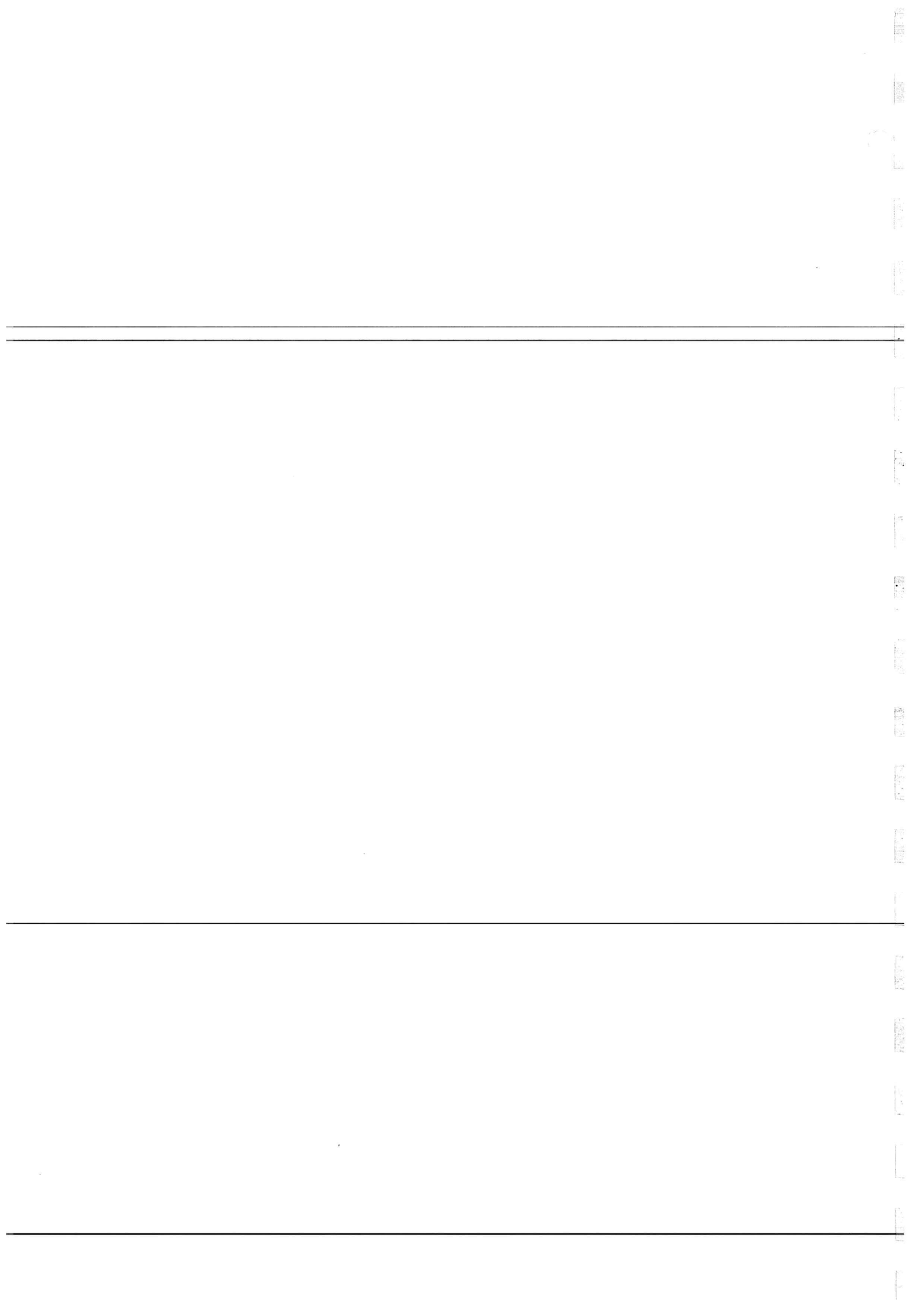
Physical progress based on outputs, outcomes and impacts since project commencement

The programme is approximately 60% implementation and 17Nr. Projects had commenced. 1No Works Contract and 1 No Last Mile Connectivity Project had not yet commenced. The outcomes, outputs and impact as at 30th June 2021 is summarized in the table shown below.

Output Indicators	Most recent value	Annual Target	End Target	Progress towards annual target %	Progress et %	Assessment
Length of water pipes laid	213km	300km	1000km	42.6	21.3	the indicator is on track
No. of water treatment plants constructed	2	5	20	40	10	the indicator is on track
No. of intake structures constructed/rehabilitated	1	5	17	20	5.9	the indicator is on track
Length of sewer pipes laid	64 km	100km	500km	64	12.8	the indicator is on track
No. of wastewater treatment plants constructed/rehabilitated	2	3	17	66.7	11.8	the indicator is on track
No. of ablution blocks constructed	6	10	67	60	8.96	the indicator is on track
No. of laboratories constructed	1	4	11	25	9.1	the indicator is on track
No. of exhausters procured	2	3	7	66.7	28.6	the indicator is on track
No. of WSPs/WSB staff trained	15	100	800	15	1.9	the indicator is on track
No. of climate mainstreamed WSP business plans developed/revised (gender informed)	0	7	20	0	0	the indicator is on track
No. of studies prepared for future investments	7	7	12	100	58.3	the indicator is on track

Comment on value-for-money achievements

Value for money has been achieved by the Agency through pursuing the lowest whole of life cost, clearly defining relevant benefits and delivering on time. Preventing waste and



fostering competition, transparency and accountability during the tendering process are key conditions to achieving value for money.

Absorption rate since commencement of project

The absorption rates for the project since inception are as shown below;

Period		Receipts	Commitments	
		a	b	(a/b)%
			18,017,377,818	
2020/2021		2,279,374,179		13
2019/2020	1,712,892,996			
2019/2020*	131,083,313			
		1,843,976,309		10
2018/2019		634,503,908		4
Total		4,757,854,396		26

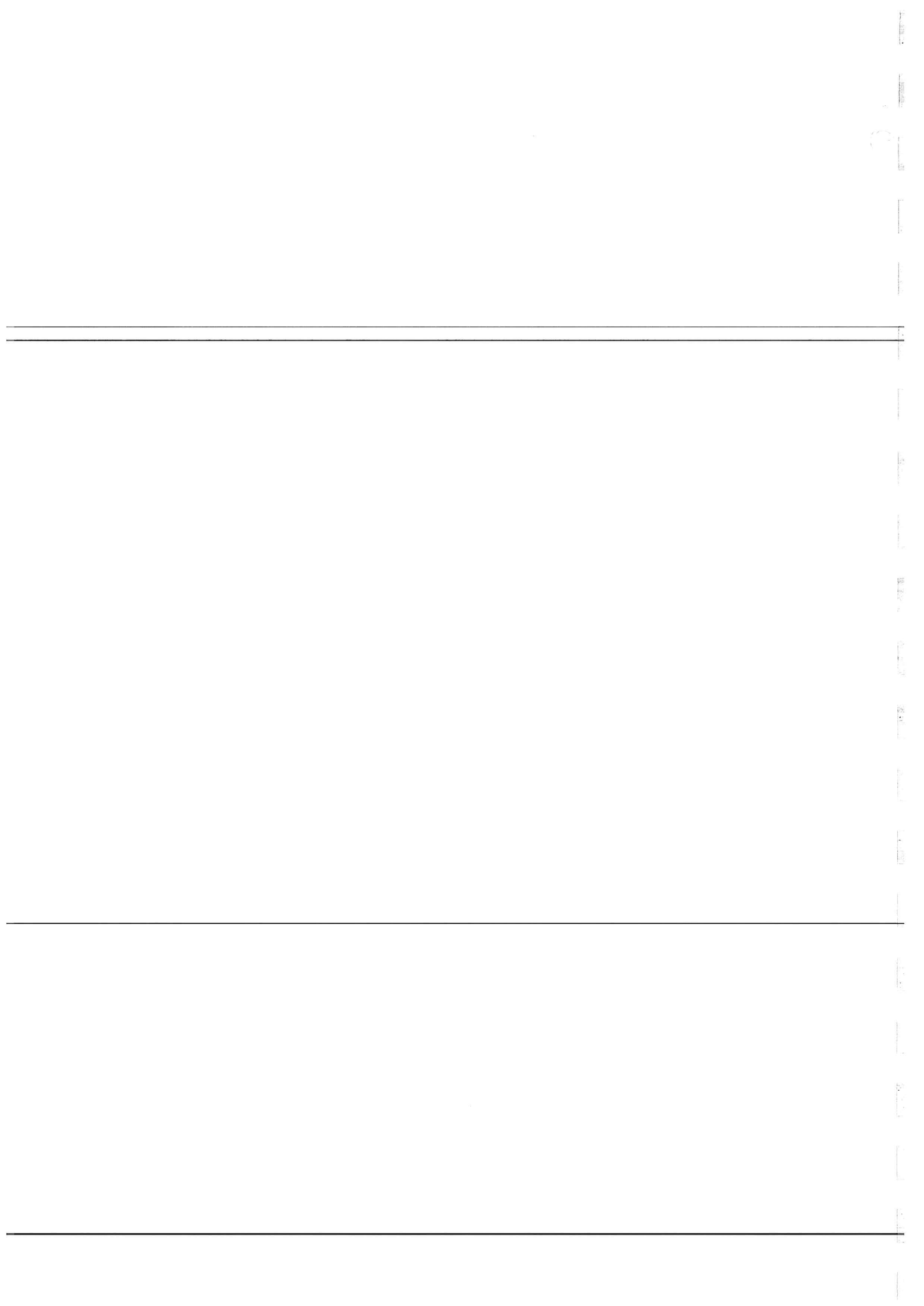
* Adjustments of Ksh 131,083,313 relating to 2019/20 made in financial year 2020/21

Implementation challenges and recommended way forward.

- a) Delayed approval of Master Lists and processing of specific exemption requests.
- b) Delayed processing and disbursement of advance payments to the contractors.
- c) Delayed processing and disbursement of Interim Payment Certificates (IPCs) to the Contractors and Consultants.
- d) Delayed approvals of permits by counterpart agencies i.e., KFS, WRA, NEMA, KeRRA and KeNHA.
- e) Delayed process of land acquisition due to community aversion and political influence.

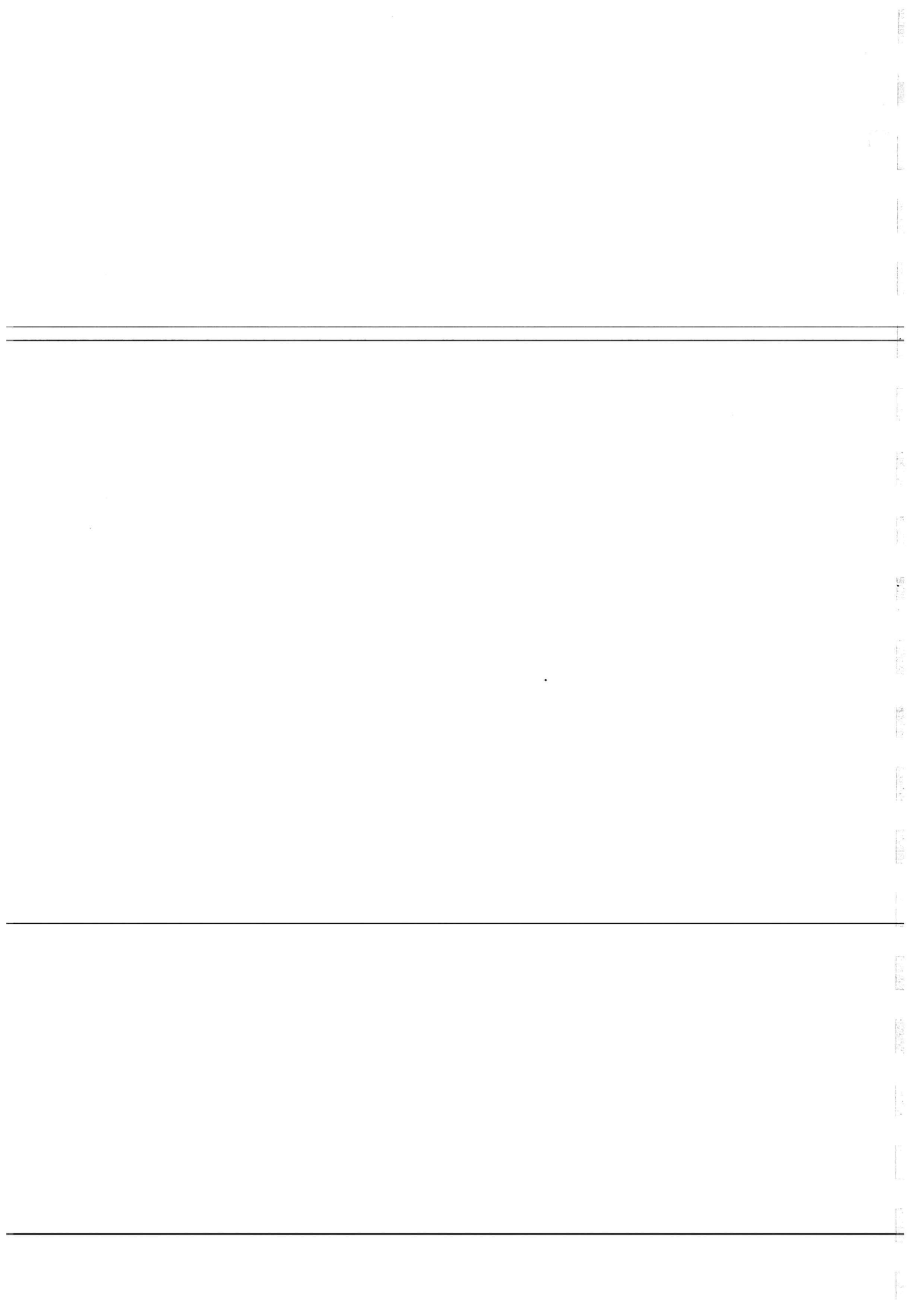
Recommendations & way forward

- The review and approval process of the Master List, Interim Payment Certificates (IPCs) and advance payments has to be hastened in order to minimize delays.
- Approvals of permits from inter-government agencies needs to be fast-tracked and applied for before project commencement.
- Proper sensitization needs to be done to the community before and during project implementation.



1.9 Summary of Project Compliance:

- The projects are fully compliant with the applicable laws and regulations including the Environmental Authority, Water Resource Authority, Occupational Health and Safety Regulations among other and hence there are no significant cases of non – compliance with the applicable laws and regulations and essential external financing agreements. This is attributed to the strong working relationship with all the stakeholders involved in the project implementation.
- There are no anticipated consequences likely to be suffered on account of non-compliance. However, in case of non – compliance the consequences to be suffered include: project site closure, possible litigation from stakeholders among others.
- The mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance include: a detailed complaints redress mechanisms to address social issues, engagement of the certified occupational health and safety officer on site, regular monitoring and evaluation of the compliance and joint awareness creation by the stakeholders to avert any adverse effect.



2 STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

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

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

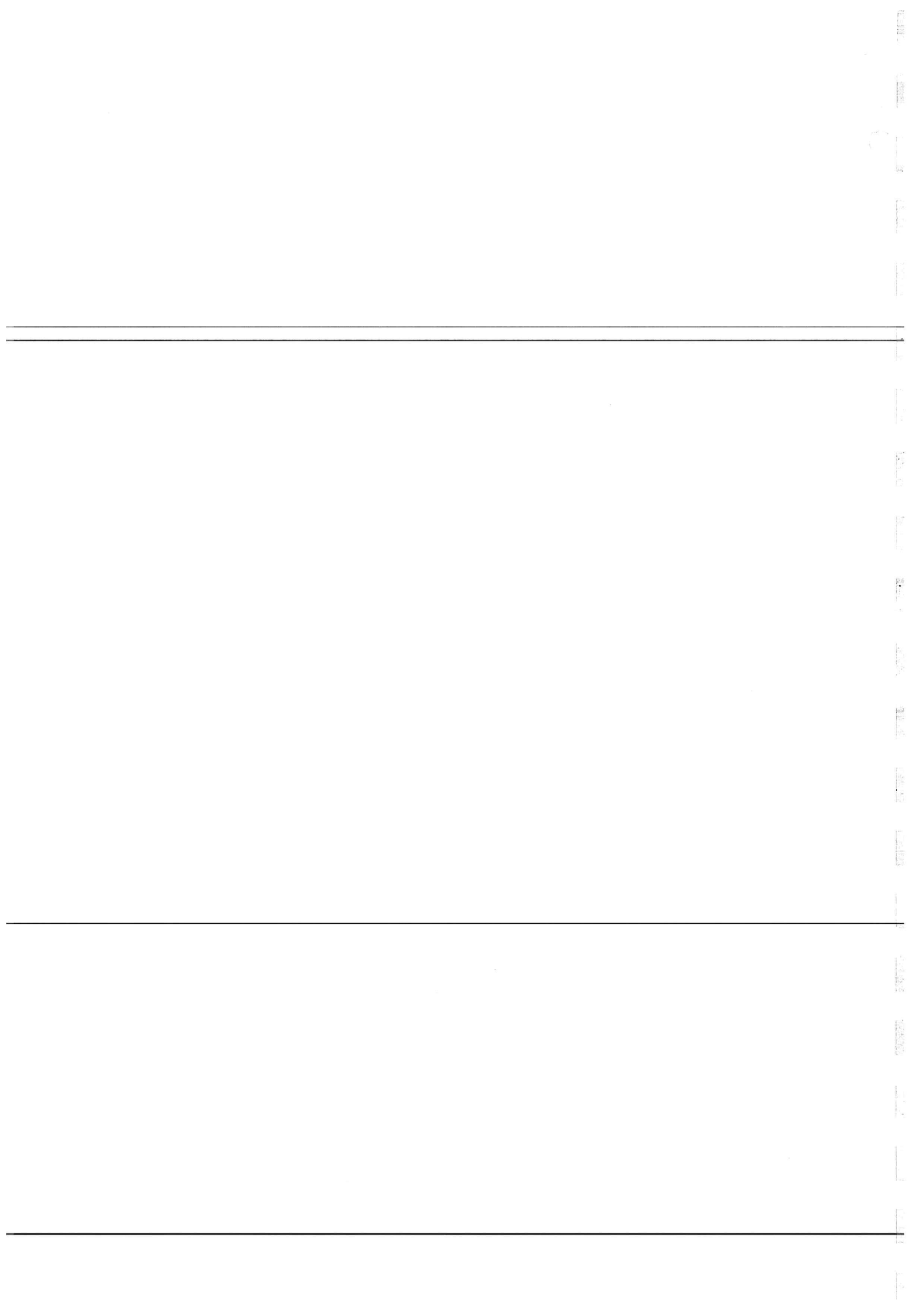
The program will support water supply infrastructure in **19 towns** and sanitation infrastructures in **17 towns**, providing more than **2.1 million** people with reliable and sustainable water supply services and more than **1.3 million** people with water-borne sewerage systems. In addition, the program will create more than **15,000** new jobs during and after construction.

The table below shows the progress on achieved so far against the objectives expected to be achieved at the end of the programme

S/No	Project Development Objectives	Progress
1	Improved reliability of the water and sanitation services	<i>This is yet to be achieved since the water and sanitation projects are currently under the initial implementation stage – 20No. Works contract currently being implemented. (5 No. Sewerage projects, 9No. water projects and 6No. Last Mile Connectivity Projects)</i>
2	Overall improvement of the public health situation in the beneficiary towns as a result of more reliable water supply and sanitation services	<i>This is yet to be achieved as some of the water and sanitation projects are just in the beginning stages of implementation, while some are under procurement. 19 towns will benefit from water projects and sanitation infrastructures in 17 towns.</i>
3	Improved O&M capacity of WSPs	<i>The O & M tools earmarked for the WSPs are yet to be purchased within the projects. 1 No. of laboratories constructed, supplied with equipment, more than 200No. of</i>

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		<i>WSP/WSB staff to be trained, 20No. of climate mainstreamed WSP business plans developed/revised (gender-informed)</i>
4	Improved business environment for industries that rely on dependable water and sanitation services	<i>This is yet to be achieved as some of the water and sanitation projects are just in the beginning stages of implementation, while some are under procurement.</i>



3 CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The program has outlined a number of projects and activities to be implemented in all the projects under construction for the Kenya Towns Sustainable Water Supply and Sanitation Program. Project implementation is underway and majority of the activities are yet to be rolled out, however in Narok where the sewerage project is at defects liability period, the following activities are under implementation:

As the project progresses, the implementation of the activities will be rolled out to other projects under implementation as prioritized by the community and other stakeholders. The total cost for the year spent is Ksh 13 Million spread throughout the project area

Sustainability strategy and profile

The Constitution of Kenya has declared access to Water Supply and Sanitation Services a human right which is to be achieved progressively. Under the Water Act, 2016, the Cabinet Secretary is expected to formulate and implement a National Water Services Strategy that will progressively lead to attainment of this right. The Agency has therefore aligned its development and operational agenda to the National Water Services Strategy and endeavours to mobilize adequate resources to implement its plan and achieve the national vision. The Agency has identified five key result areas to effectively realize its mandate. The five key result areas are:

1. Construction of water pans upstream of the sewerage treatment plant which doubles up as a flood mitigation for the project as well as source of water for the community who are mainly pastoralists
2. Roof water harvesting exercise which has seen the distribution of plastic tanks to schools around the project area aimed at sensitizing the community on the importance of water harvesting to address water scarcity as well as reduction of runoff.
3. Working together with the contractors and consultants, the agency has distributed hand washing sanitizers and water tanks as well as distribution of the face masks aimed at reducing the spread of COVID 19
4. Effective mobilization and prudent utilization of resource.
5. Development and Improvement of the water and sanitation infrastructure.
6. Management of the water and sanitation infrastructure developed.

7. Enhancement of institutional framework and capacity.

8. Customer and stakeholder management.

The Agency believes that pursuing impact in these five key result areas will enable achievement of sufficient and resilient infrastructure that will continually and sustainably support attainment of the universal access to improved water supply and sanitation services in its area of jurisdiction. This aspiration is aligned to the National initiatives under the Big Four Agenda which is attendant to the Vision 2030, the Sustainable Development Goal Number six of the United Nation and the Africa Unions Agenda 2064. We have done our best with considerable success in each of the key result areas and we remain committed to achieving the National Government's development goals by our short term local interventions.

Environmental performance

The Environmental Management and Coordination Act 1999 (EMCA) and 2015 guides the Agency project/ program implementation. Through the Act, the public and the society are empowered through Public participation that in turn supports the project implementation leading to its success. On the other hand, the EMCA Act makes reference to the Constitution of Kenya which empowers communities on project implementation which sometimes leads to project rejection and aversion i.e. Sewerage Projects. The Agency, working closely with other stakeholders promotes and sustain tree planting exercise which seeks to mitigate climate change and promote biodiversity. In its efforts to reduce environmental impacts, the Agency undertakes the Environmental Impact Assessment studies which outlines the possible impacts and propose mitigation measures which are implemented during project implementation which also include regular Environmental audits.

Employee welfare

The Agency has a Human Resources Policy and Procedures Manual which stipulates the guidelines on recruitment and selection and further requires that a third (1/3) gender rule is adhered to in the recruitment process. Further, the in view of supporting the young people actively engaged in water improvement, the Agency engaged over 35 (thirty five) youths on a contract and attached to project engineers in the field and assigned various managers in the office for on the job training. The young participants then may have an opportunity to grow and to gain new ideas to enhance water related issues. The Agency has in place career progression guidelines and reviews the staffing levels of the institution from time to time. On safety and compliance

with Occupational Safety and Health Act of 2007, (OSHA), An approved Health and Safety Policy is in place and is well adhered to and has been availed to all staff. The employees are entitled for leave out, medical insurances, training on their professional growth, COVID 19 and HIV/AIDS prevention measures. Provision of masks, and a safe working environment.

Community Engagements

During the year under review, the Agency continued to implement its Corporate Social Responsibility program in line with its policy. This policy builds and support the execution of the Agency's mandate as part of integrating community concerns in the Agency's operation and interactions with their stakeholders and customers.

The Agency's policy is anchored on five main pillars;


1. Environmental Conservation

Environmental conservation is a key component of the program under our policy. Consequently, participating and supporting tree planting campaigns thereby contributing to raise the country's protection of the water catchment and forest cover.


During the year under review, the Presidential directive was allocation of 10% of the budget in planting tree seedlings that can be distributed so as to achieve 10% forest cover by 2022. The Agency implemented the annual Tree Planting campaign targeting to plant more than 20,000 indigenous tree seedlings in a number of water catchments points within our area of jurisdiction. The Agency supported planting of more than 10,000 seedlings in Tree planting exercise at the project site which has brought together the community living around, the schools and the local administration with a focus of environmental conservation

2 Boy- Girl Child support


The Agency mentored and empowered vulnerable boys and girls within the area of jurisdiction. by supporting the donation of sanitary towels to unprivileged rural schools in West Pokot County. The Agency mentored /coach young boys and girls during the holidays. This was done in three schools.



Ag. Chief Executive Officer
Eng. Samuel K. Oruma

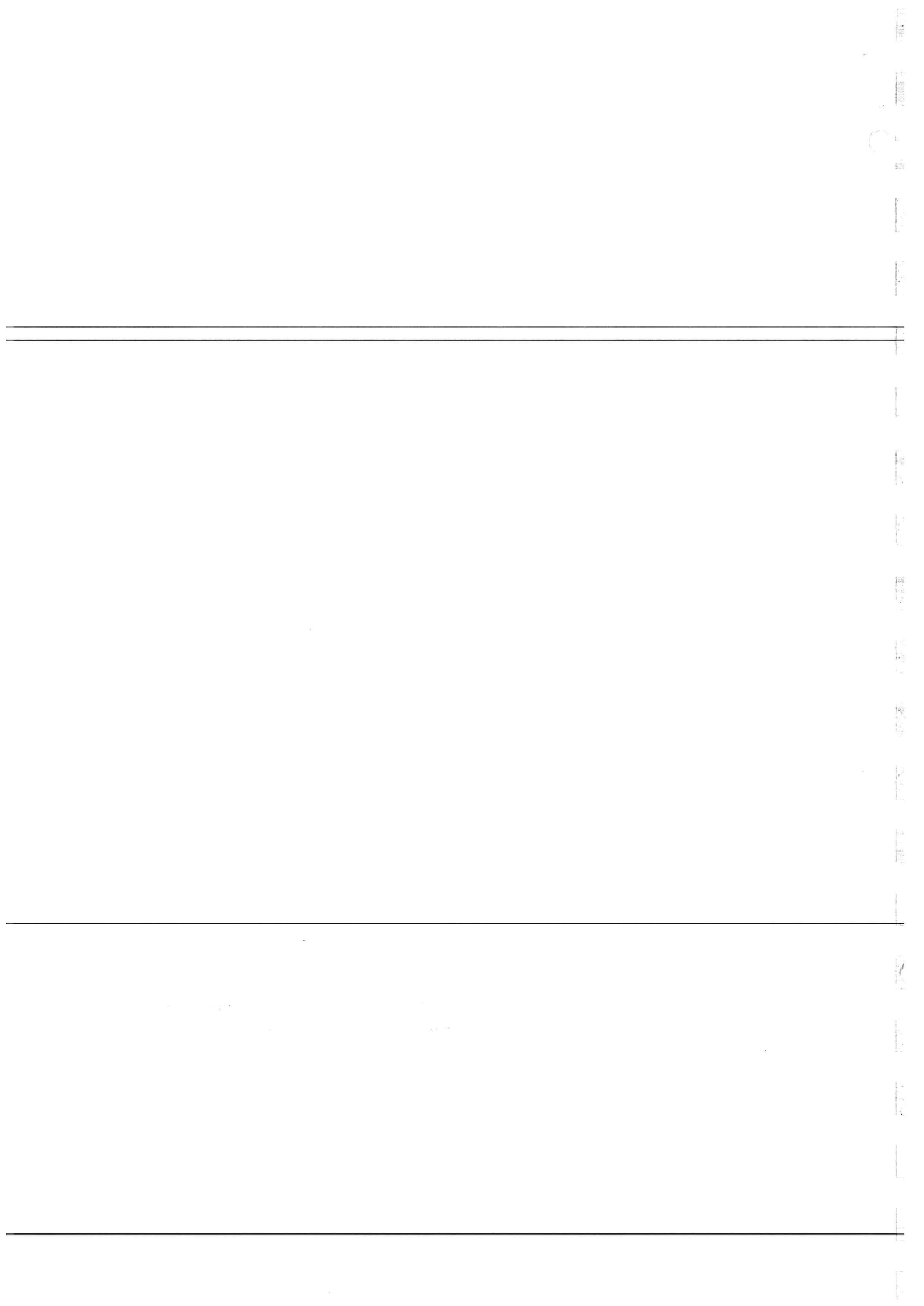


Project Coordinator
Mr. Charles M. Murage



Project Accountant
Agnes J. Bowen
ICPAK Member No:
12282





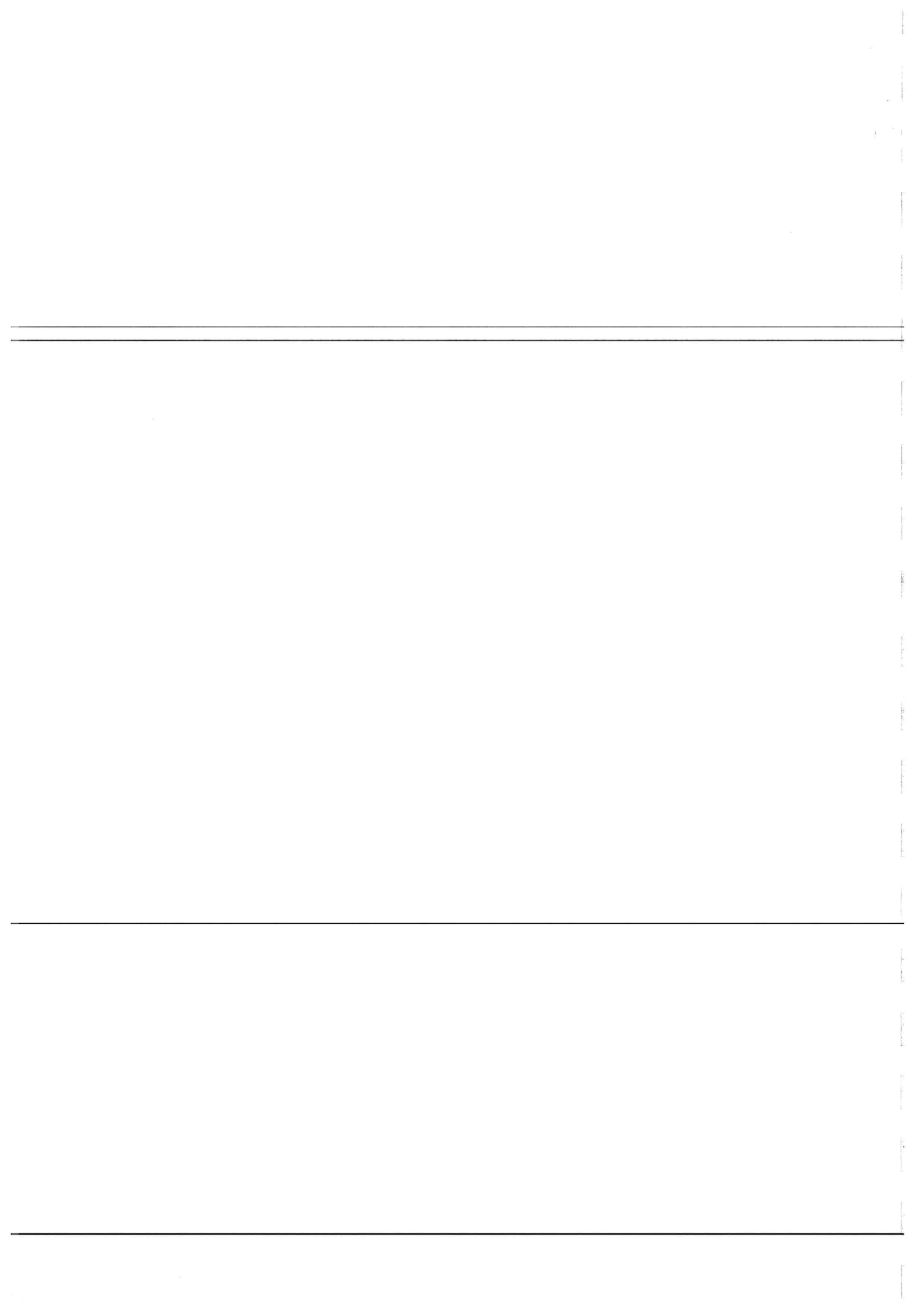
4 STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Chief Executive Officer of Central Rift Valley Water Works Development Agency and the *Project Coordinator* for *Kenya Towns Sustainable Water Supply and Sanitation Program* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on 30th June, 2021. This responsibility includes:

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

The Chief Executive Officer of Central Rift Valley Water Works Development Agency and the *Project Coordinator* for *Kenya Towns Sustainable Water Supply and Sanitation program* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Chief Executive Officer of Central Rift Valley Water Works Development Agency and the *Project Coordinator* for *Kenya Towns Sustainable Water Supply and Sanitation Program* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2021, and of the Project's financial position as at that date. The Chief Executive Officer of Central Rift Valley Water Works Development Agency and the *Project Coordinator* for *Kenya Towns Sustainable Water Supply and Sanitation Program* further confirm the completeness of the accounting records maintained



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for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Chief Executive Officer of Central Rift Valley Water Works Development Agency and the *Project Coordinator* for *Kenya Towns Sustainable Water Supply and Sanitation Program* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

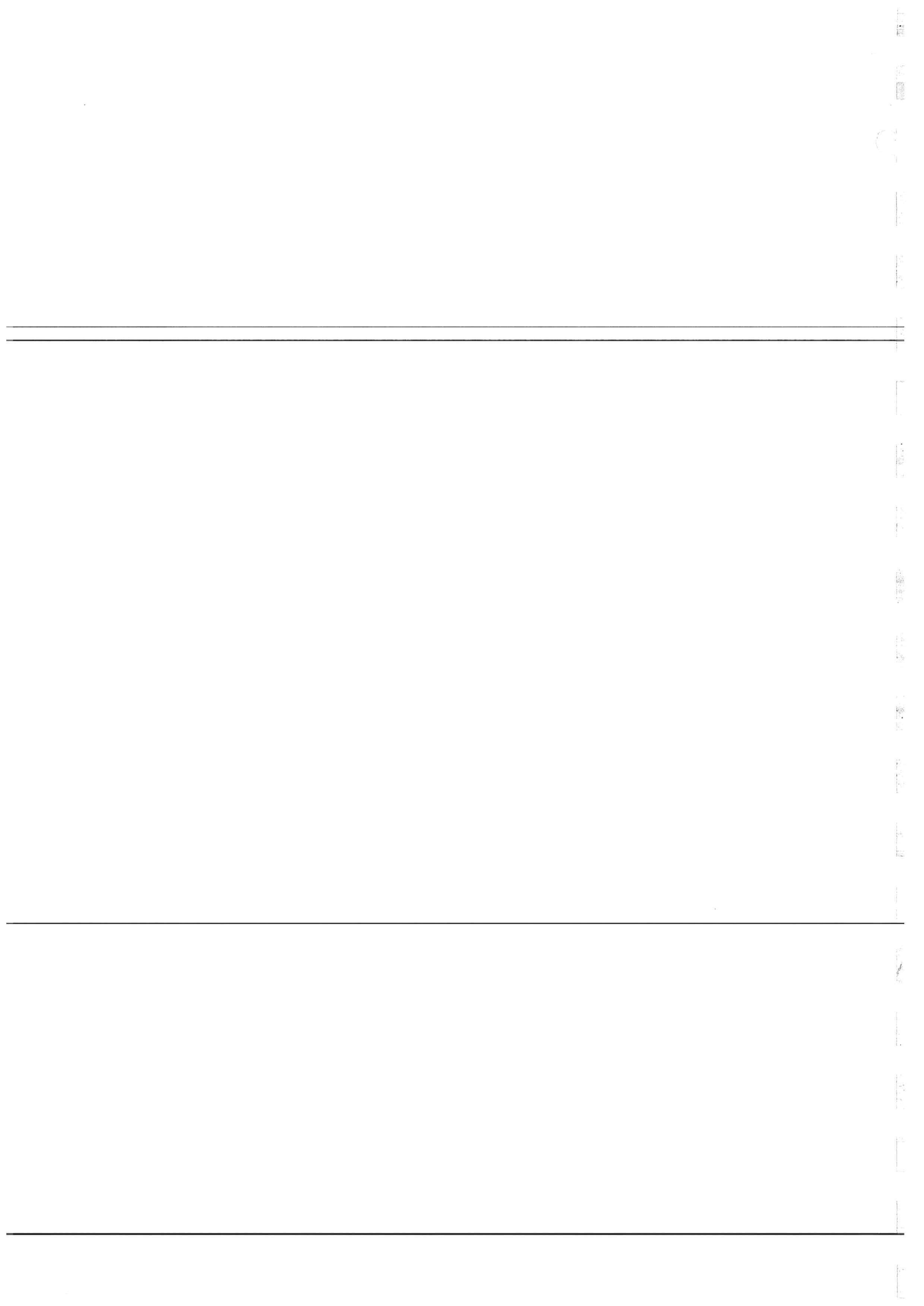
The Project financial statements were approved by the and Chief Executive Officer of Central Rift Valley Water Works Development Agency the *Project Coordinator* for *Kenya Towns Sustainable Water Supply and Sanitation Program* on 24 September 2021 and signed by them.

Ag. Chief Executive Officer
Eng. Samuel K. Oruma

Project Coordinator
Mr. Charles M. Murage

Project Accountant
Agnes J. Bowen
ICPAK Member No: 12282





REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON KENYA TOWNS SUSTAINABLE WATER SUPPLY AND SANITATION PROGRAMME - CR. NO. P-KE-E00-011 (AfDB LOAN NO.2000200000501) FOR THE YEAR ENDED 30 JUNE, 2021 – RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Kenya Towns Sustainable Water Supply and Sanitation Programme set out on pages 15 to 49, which comprise the statement of financial assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Town Sustainable Water Supply and Sanitation Program as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the financing agreement No. 2000200000501 between the African Development Bank and the Republic of Kenya dated 9 January, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracies of the Financial Statements

A review of financial statements for the year ended 30 June, 2021 submitted for audit revealed the following anomalies:

1.1 Funding Summary

The funding summary reflected at Note 1.7 to the financial statements on the Project information and overall performance reflects total donor commitment of 111,497,553 Units of Accounts (UAs) equivalent to Kshs.15,944,150,119 which vary with the totals of figures extracted from the loans and grants agreement of UAs 278,562,829 as shown below:

Details	Loan Currency	Amount	Exchange Rate	Amount (UAs)	Loan Number
Loan	US Dollar (USD)	\$381,191,000	1UA = USD 1.4029	271,716,445	2000200000501
Loan	Units of Accounts (UA)	5,134,564 UAs		5,134,564	2100150036294
Grant	Units of Accounts (UA)	511,820 UAs		511,820	2100155033467
Grant	Units of Accounts (UA)	1,200,000 UAs		1,200,000	5500155011104
			Total	278,562,829	

Report of the Auditor-General on Kenya Towns Sustainable Water Supply and Sanitation Programme - CR. No. P-KE-E00-011 (AfDB Loan No.2000200000501) for the year ended 30 June, 2021 – Rift Valley Water Works Development Agency

The resultant variance of UAs 167,065,276 (Kshs.23,890,334,528) has not been explained or reconciled. Further, the funding summary does not indicate the loans or grants numbers.

In the circumstances, the accuracy of the funding summary statement and reason for its understatement and application of the amount totalling UAs 167,065,276 could not be determined for the year ended 30 June, 2021.

1.2. Prior Year Adjustment

The statement of receipts and payments for the period ended 30 June, 2021 reflects prior year adjustment figure of Kshs.131,083,313 which was not supported with journal entries, payments voucher details such as invoices, supplier statements, inspection and acceptance certificates. Consequently, the accuracy, validity and completeness of the prior year adjustment figure of Kshs.131,083,313 could not be confirmed for the year ended 30 June, 2021.

1.3. Purchase of Goods and Services

The statement of receipts and payments reflects a cumulative to-date figure for purchase of goods and services expenditures totaling Kshs.1,081,797,204 which varies with the figure of Kshs.1,154,942,553 reflected at Note 7 to the financial statements, resulting to unexplained variance of Kshs.73,145,349.

In the circumstances, the accuracy of the cumulative purchase of goods and services expenditures of Kshs.1,081,797,204 cannot be confirmed for the year ended 30 June, 2021.

2.0 Unauthorized Over Expenditure

The statement of comparative budget and actual amounts reflects an over expenditure of Kshs.42,526,981 (or 9%) on purchase of goods and services budget of Kshs.455,272,000 which was not explained (or supported). Further, no authority or approval was provided to authenticate its existence for the year ended 30 June, 2021.

3.0 Unresolved Prior Year Audit Issues

The progress on follow-up of auditor recommendations at Note 12 to the financial statements indicates that audit issues have been resolved. However, no documentary evidence such as minutes of the Management meetings, receipts, fixed asset registers and risk management policy were provided to support the resolved issues.

Under the circumstances, the Management failed to comply to the requirements of the Public Sector Accounting Reporting template pertaining to disclosures of progress on follow up of auditor recommendations on previous year, for the year ended 30 June, 2021.

4.0 Receipts

4.1 Transfer from Government Entities

The statement of receipts and payments reflects transfers from government entities figure of Kshs.185,338,665 which varies with the figure of Kshs.236,250,000 reflected in the bank statements resulting to an unexplained variance of Kshs.50,911,334.

Under the circumstance, the accuracy and source of transfer from government entities of Kshs.50,911,334 for the year ended 30 June, 2021, could not be confirmed.

4.2 Direct Payments

The statement of receipts and payments reflects loan from external development partners figure of Kshs.2,094,035,513 which relates to payments made on behalf of the Project. However, the receipts figure was not supported with loan acknowledgement, loan returns and loan arrangement documentation.

In the circumstances, the accuracy, validity and completeness and ownership of loan receipts of Kshs.2,094,035,513 could not be confirmed for the year ended 30 June, 2021.

4.3 Low Absorption of Project Funding

The loan agreement was signed on 9 January, 2017 running for five years to 31 December, 2021. The total project funding is UAs 111,497,553 (or Kshs.15,944,150,119) of which only UAs 30,778,285 (or Kshs.4,401,294,776) representing 28% has been drawn with six months remaining. The balance of UAs 80,719,268 (or Kshs.11,542,855,343) equivalent to 73% has not been drawn. Low absorption has the effect of the project not utilizing funds set aside for it and therefore incurring additional cost of commitment charges of 0.25% by the Donor as provided in section 3.07 of the loan agreement.

Under the circumstances, the under absorption will affect proper project implementation

5.0 Acquisition of Assets - Land Acquisition

Statement of receipts and payments reflects acquisition of assets figure of Kshs.1,781,572,198 which included acquisition of land expenditure of Kshs.105,346,434 which was not been supported with resettlement action plan and valuation report, name of payees or payment vouchers.

Under the circumstances, the accuracy, validity and propriety of land acquisition expenditure of Kshs.105,346,434 for the year ended 30 June, 2021 could not be confirmed.

6.0 Cash and Cash Equivalents

6.1 The statement of financial assets reflects cash and cash equivalent figure of Kshs.100,012,714 as at 30 June, 2021. However, the cashbook availed for audit reflected a balance of Kshs.140,863,953 which had not been reconciled with the

bank balance figure of Kshs.100,012,714 as at 30 June, 2021. Further, the project bank statements were not availed for audit verification.

- 6.2** The bank account is also not maintained specifically for the Project but it also serves as an operations account of the implementing agency (Central Rift Valley Water Works Development Agency). This is contrary to clause 1.2(j) and (h) of the subsidiary loan agreement (SLA) between the Government of Kenya and Central Rift Valley Water Works Development Agency which provides that a local and foreign currency bank accounts shall be opened for the purpose of receiving the portion of loan from the Government and proceeds of foreign grant or loan respectively.

Under the circumstances, the accuracy, completeness and existence of Kshs.100,012,714 cash and cash equivalents as at 30 June, 2021 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0. Acquisition of Assets

1.1. Project Implementation Status

Physical verification undertaken during the month of October, 2021 at the six (6) Programme implementation sites revealed the following:

No.	Project	Contract Sum (Kshs.)	Audit Observation
1.	Oyugis Water Supply	608,822,545	Overall Work Progress is at 40% against 85%-time lapse
2.	Kendu Bay Water Supply	673,929,361	Overall Work Progress is at 60% against 87%-time lapse
3.	Ugunja-Ukwala Water Supply	1,046,858,732	Overall Work Progress is at 57% against 78%-time lapse.
4.	Kiptogot - Kolongolo Water Supply System	1,200,043,073	Overall Work Progress is at 60% against 100%-time lapse.
5.	Kilgoris - Lolgorian Water Supply and Sanitation Project	518,204,478	Overall Work Progress is at 7% against 33%-time lapse
	Total	4,047,858,189	

Failure to complete projects on time denied the stakeholders value for money expected during the year under review.

1.2. Vehicles Ownership

Four (4) project motor vehicles costing Kshs.27,810,000 were registered in the name of the contractor contrary to letter from The National Treasury Circular Ref. No. DFN415/232/011 that requires the motor vehicles be registered in the name of the project as shown below:

No.	Vehicle Type	Registration No.	Cost (Kshs.)
1.	Toyota Pickup Double Cab	KDA 053H	6,560,000
2.	Toyota Pickup Double Cab	KDA 164G	6,560,000
3.	Toyota Pickup Double Cab	KDA 038J	6,560,000
4.	Toyota Fortuner SUV	KDA 041H	8,130,000
	Total		27,810,000

Failure to register the procured four (4) motor vehicles in the name of the Project is in breach of the law.

1.3. Project Status Report

An analysis of Project status report for the year ended 30 June, 2021 revealed that Kshs.5,326,703,882 of projects implemented between 2018-2020 have not yet been completed as shown below:

S/No.	Project Name	Contract Sum (Kshs.)	Contract Signing Date	Start Date	Expected Completion Date	Extended Completion Date	Project Progress %
1.	Olkalou Town Sewerage Project	589,937,192	6 May, 2020	30 Sep 2020	30 Sep 2021	-	49
2.	Oyugis - Water Supply and Sanitation Project	608,822,545	13 Sep 2018	1 Apr 2019	1 Oct 2020	1 Nov 2021	40
3.	Kendu Bay Water Supply and Sanitation Project	580,973,587	16 Oct 2018	1 Apr 2019	1 Oct 2020	1 Oct 2021	60
4.	Ugunja - Ukwala - Segwa Water Supply and Sanitation Project	1,046,858,732	2 May 2019	1 Oct 2019	23 Mar 2021	31 Dec 2021	57
5.	Last Mile Connectivity Project for Keroka Town (Lot 1)	114,309,996	25 Sep 2020	-	-	-	4
6.	Kipkarren dam treatment works and associated pipelines water project	1,185,758,756	13 Dec 2018	24 Jun 2019	24 Mar 2021	31 Dec 2021	19
7.	Kiptogot - Kolongolo Water Supply Project	1,200,043,073	15 Nov 2018	1 Jul 2019	31 Jan 2021	28 Jun, 2021	60
	Total	5,326,703,881					

Delay in the implementation of the projects within specified contract period attracts a commitment charge of 0.25% of non-disbursed portions of the loan. No letter of objection from the African Development Bank was provided to support the extension of the projects.

Consequently, the citizens failed to get the value for money due to delayed completion of projects.

2.0 Purchase of Goods and Services-Consultancy Services

Included in the consultancy services expenditure of Kshs.417,809,750 reflected in Note 7 to the financial statements is an expenditure of Kshs.13,162,656 incurred on the supply, delivery and installation of an integrated enterprise resource planning (ERP) systems. A review of documents provided for audit revealed that tender evaluation of the tender was conducted on 18 December, 2019 and 240 days later the tender opened on 26 March, 2019 which is outside the bid validity period of 120 days. Further, the contract agreement was signed on 26 February, 2020 almost 12 months after tender opening hence contravening clause 2.59 of the African Development Bank rules and procedures which require the borrower to award contracts within the period of validity of

bid, which was stated as 120 days in the standard bid document. In addition, no documentary evidence was availed to confirm that the contract award was published in African Development Bank website online as required.

Under the circumstances, the procurement of Integrated Enterprise Resource Planning (ERP) systems for Kshs.13,162,656 for the year ended 30 June, 2021 was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the African Development Bank, I report based on my audit, that:

- i. 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;
- ii. in my opinion, adequate accounting records have been kept by the Programme, so far as appears from the examination of those records; and,
- iii. The Programme's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Kenya Town Sustainable Water Supply and Sanitation Programme's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable/going concern basis of accounting unless Management is aware of the intention to terminate the Programme 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.

Those charged with governance are responsible for overseeing the Kenya Town Sustainable Water Supply and Sanitation Programme financial reporting process, reviewing the effectiveness of how the entity 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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Programme's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such

disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Kenya Town Sustainable Water Supply and Sanitation Programme to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Programme to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 December, 2021

6 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2021

	Notes	2020/2021			2019/20		TOTAL	Kshs	Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	TOTAL	Receipts and payment controlled by the entity	Payments made by third parties			
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS									
Transfer from Government entities	2	185,338,665	-	185,338,665	132,653,988	-	132,653,988	356,559,620	
Proceeds from domestic and foreign grants	3	-	-	-	-	-	-	-	
Loan from external development partners	4	-	2,094,035,513	2,094,035,513	-	1,580,239,008	1,580,239,008	4,270,211,463	
Miscellaneous receipts	5	-	-	-	-	-	-	-	
Prior year adjustment	15		131,083,313	131,083,313				131,083,313	
TOTAL RECEIPTS		185,338,665	2,225,118,826	2,410,457,491	132,653,988	1,580,239,008	1,712,892,996	4,757,854,396	
PAYMENTS									
Compensation of employees	6	-	-	-	1,184,451	-	1,184,451	1,184,451	
Purchase of goods and services	7	79,992,231	417,809,750	497,801,981	46,215,497	263,634,221	309,849,718	1,081,797,204	
Social security benefits	8		-	-	-	-	-	-	
Acquisition of assets	9	105,346,434	1,676,225,764	1,781,572,198	85,254,040	1,316,604,787	1,401,858,827	3,543,789,428	
Transfers to other	10	-	-	-	-	-	-	-	

ICPAC SUSTAINABLE WATER SUPPLY AND SANITATION PROGRAM
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government entities												
Other grants and transfers and payments	11											
Prior year adjustment	15	131,083,313	131,083,313	131,083,313							131,083,313	
Total Payments		185,338,665	2,225,118,826	2,410,457,492	132,653,988	1,580,239,008	1,712,892,996				4,757,854,396	
Surplus/(Deficit)												

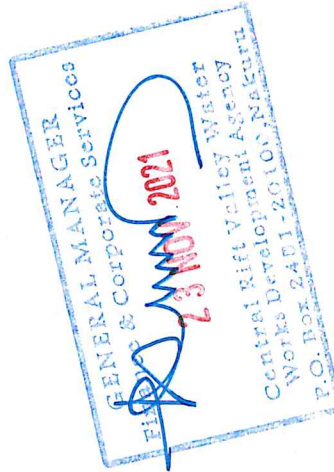
The prior year adjustment is as a result of donor disbursements made and had not been captured at the time of preparing the books.

The accounting policies and explanatory notes to these Financial Statements are an integral part of the Financial Statements.


 Ag. Chief Executive Officer
 Eng. Samuel K. Oruma


 Project Coordinator
 Mr. Charles M. Murage


 Project Accountant:
 Agnes J. Bowen
 ICPAK Member No: 12282



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Kenya Towns Sustainable Water Supply and Sanitation Program
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7 STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE, 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents	12		
Bank Balances		100,012,714	222,851,379
Cash Balances		0	0
Cash Equivalents (short-term deposits)		0	0
Total Cash and Cash Equivalents		0	0
Accounts receivables – Imprests and Advances		0	0
Total Financial Assets		100,012,714	222,851,379
Represented By			
Fund balance b/fwd.		222,851,379	10,863,768
Prior year adjustments		62,500,000	350,000,000
Surplus/(Deficit) for the year		(185,338,665)	(138,012,389)
Net Financial Position		100,012,714	222,851,379

The accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements. The Financial Statements were approved on 24th September 2021 and signed by:


 Ag. Chief Executive Officer

Eng. Samuel K. Oruma


 Project Coordinator

Mr. Charles M. Murage


 Project Accountant

Agnes J. Bowen
 ICPAK Member No:
 12282





Kenya Towns Sustainable Water Supply and Sanitation Program
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8 STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
Receipts for operating activities			
Transfer from Government entities	2	185,338,665	132,653,988
Proceeds from domestic and foreign grants	3	-	-
Miscellaneous receipts	5	-	-
Payments for operating activities			
Compensation of employees	6		(1,184,451)
Purchase of goods and services	7	(497,801,981)	(309,849,719)
Social security benefits	8		-
Transfers to other government entities	10	-	-
Other grants and transfers	11	-	-
Adjustments during the year	15	(71,972,099)	-
Net cash flow from operating activities		(384,435,415)	(178,380,181)
Cashflow from Investing Activities			
Acquisition of Assets	9	(1,781,572,198)	(1,401,858,827)
Adjustment during the year	15	(59,111,213)	
Net cash flows from Investing Activities		(2,225,118,826)	(1,580,239,009)
Cashflow from Borrowing Activities			
Loan from external development partners	4	2,225,118,826	1,580,239,008
Net cash flow from financing activities		2,225,118,826	1,580,239,008
Net Increase in Cash and Cash Equivalent		1,840,683,411	1,401,858,827
Cash and cash equivalent at BEGINNING of the year		222,851,379	10,863,768
Cash and cash equivalent at end of the year		100,012,714	222,851,379

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 24th September and signed by

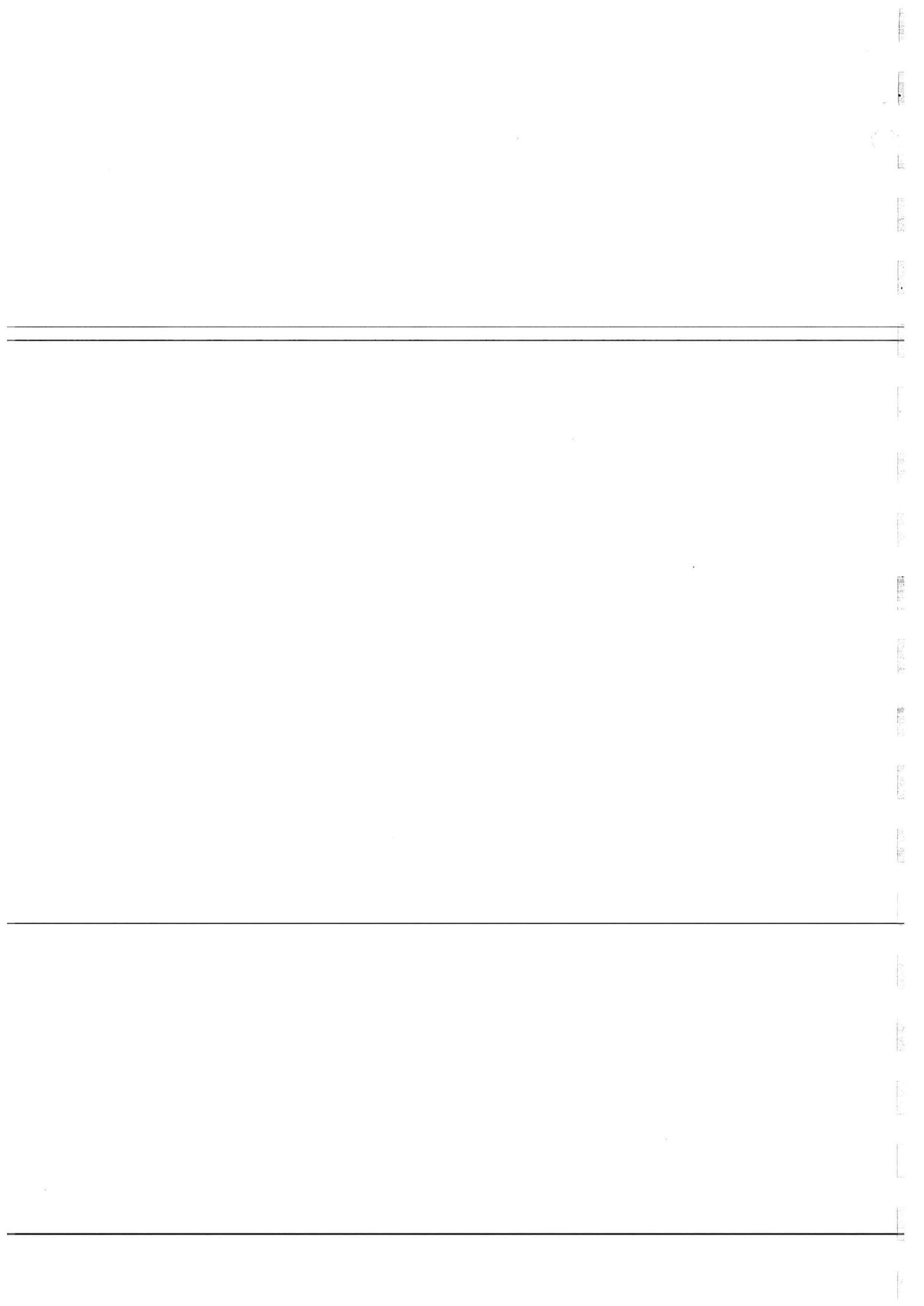

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ICPAK Member No:
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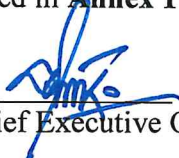



Kenya Towns Sustainable Water Supply and Sanitation Program
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9 STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	%
	a	b	c=a+b	d	e=c-d	f=d/c
Receipts						
Transfer from Government entities	250,000,000	-187,500,000	62,500,000	185,338,665	122,838,665	297
Proceeds from domestic and foreign grants	-	-	-	-	-	-
Loan from external development partners	1,880,000,000	500,000,000	2,380,000,000	2,094,035,513	285,964,487	88
Prior year adjustment	-	-	-	131,083,313		
Total Receipts	2,130,000,000	312,500,000	2,442,500,000	2,410,457,491	163,125,822	99
Payments						
Compensation of employees	-	-	-	-	-	-
Purchase of goods and services	685,635,983	257,235,982	455,275,000	497,801,981	-42,526,981	109
Social security benefits	-	-	-	-	-	-
Acquisition of non-financial assets	5,043,684,037	3,092,084,037	1,987,225,000	1,781,572,198	205,652,802	90
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Prior year adjustment	-	-	-	131,083,313	131,083,313	100
Total Payments	5,729,320,020	3,349,320,019	2,442,500,000	2,410,457,491	294,209,134	99

Note: The significant budget utilisation/performance differences in the last column are explained in **Annex 1** to these financial statements.

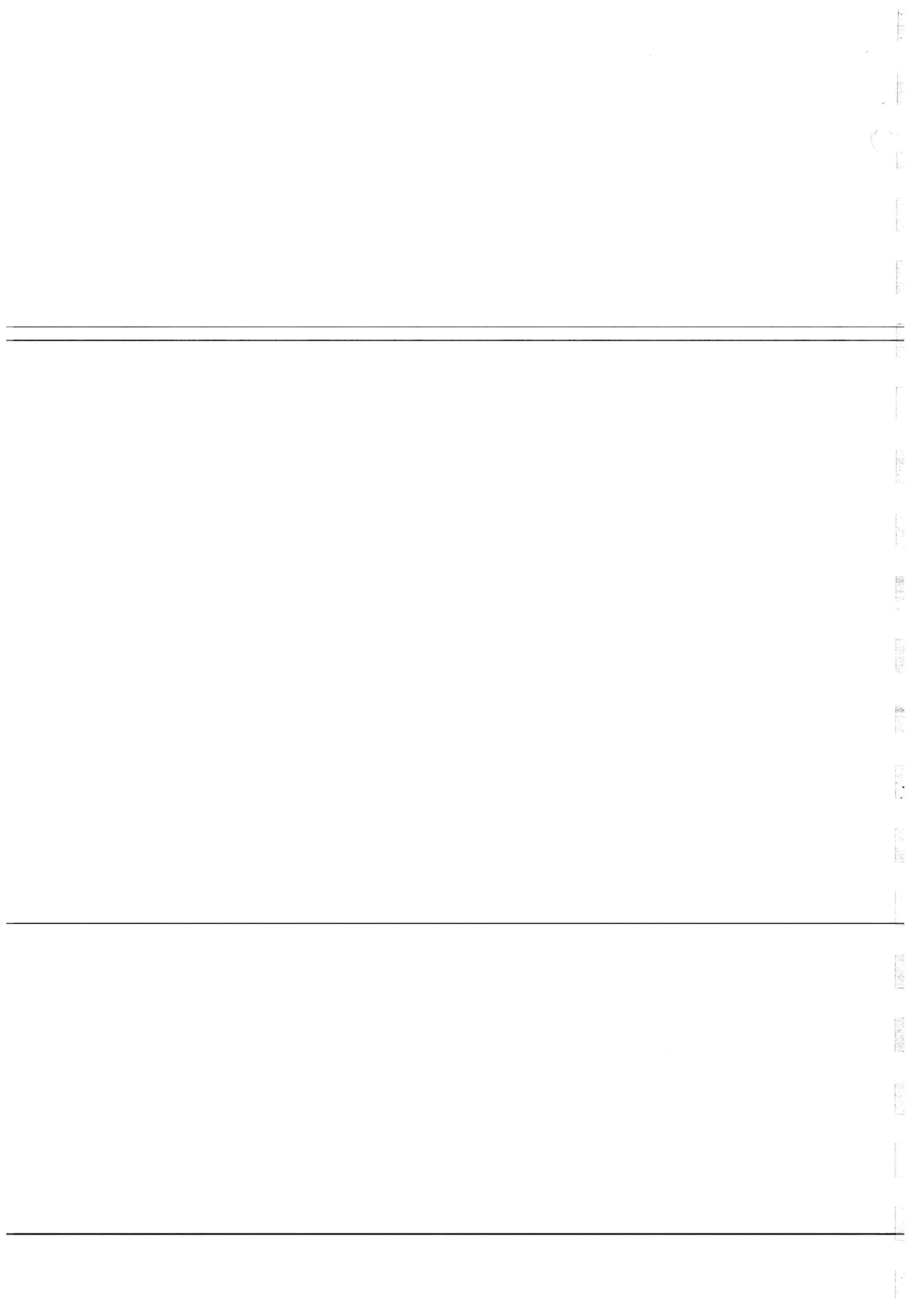

Ag. Chief Executive Officer
Eng. Samuel K. Oruma


Project Coordinator
Mr. Charles M. Murage


Project Accountant:
Agnes J. Bowen

ICPAK Member No: 12282





10 NOTES TO THE FINANCIAL STATEMENTS

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

a)Basis of Preparation

i. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest and salary advances and b) payables that include deposits and retentions.

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

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

ii. Reporting entity

The financial statements are prepared by Central Rift Valley Water Works Development Agency under Ministry of Water & Sanitation and Irrigation for the Project Kenya Towns Sustainable Water Supply and Sanitation Program. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

iii. Reporting currency

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

b) Significant Accounting Policies

i. Recognition of receipts

The Project recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

ii. Transfers from the Exchequer

Transfer from Exchequer is be recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

iii. External Assistance

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

iv. Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

v. Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

vi. Undrawn external assistance

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

vii. Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

c) Recognition of payments



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The Project recognises all payments when the event occurs and the related cash has actually been paid out by the Project.

i. Compensation of employees

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

ii. Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. If not paid for during the period where goods/services are consumed, they shall be disclosed as pending bills.

iii. Interest on borrowing

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

iv. Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

v. Acquisition of fixed assets

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

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

d) In-kind donations

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the

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financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

e) 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 authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

- ***Restriction on cash***

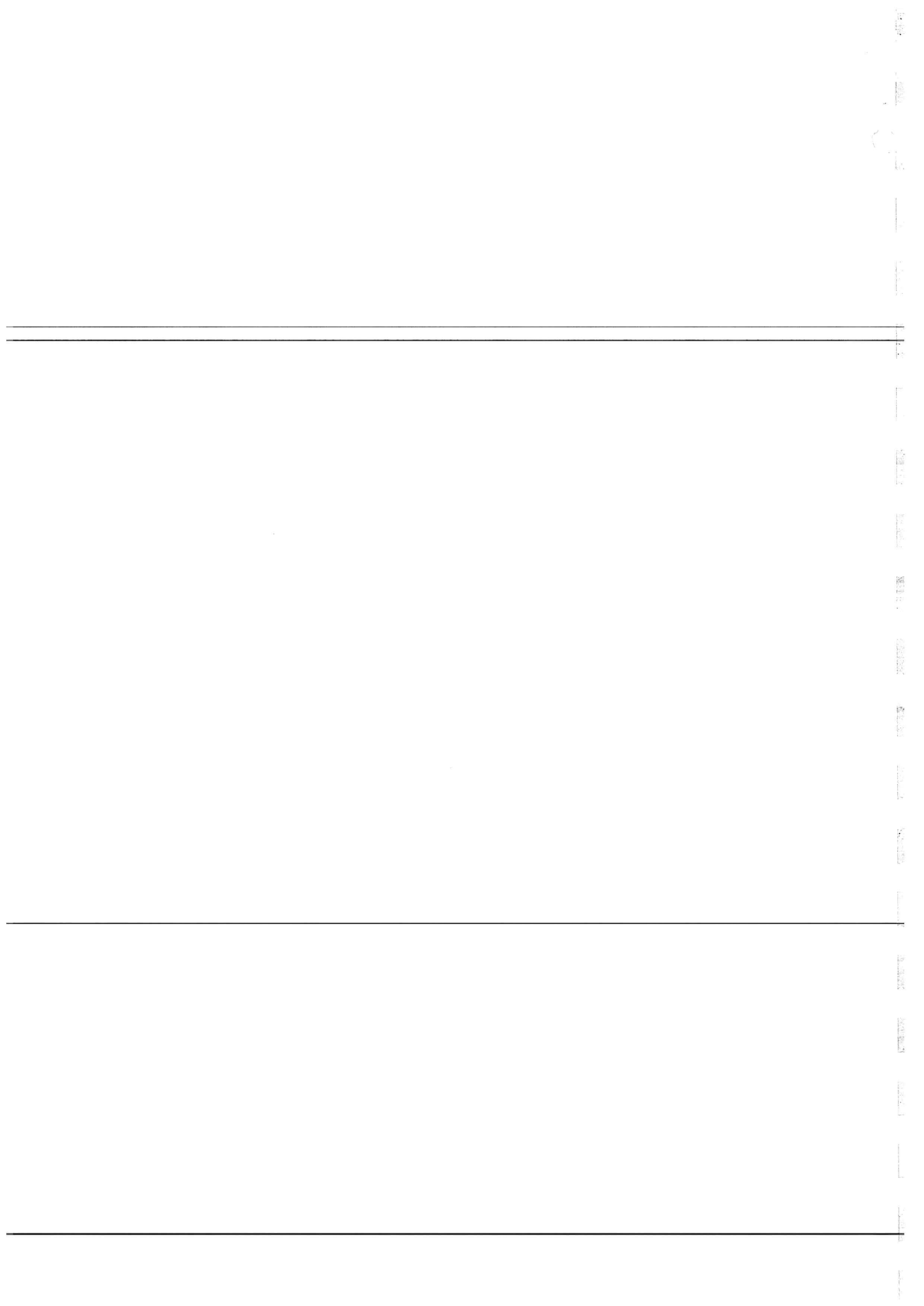
Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

f) Accounts receivable

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

g) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending



bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Project at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

h) Budget

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

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

i) Third party payments

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

During the year Kshs 2.09 Billion being loan disbursements were received in form of direct payments from third parties.

j) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the

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2 Receipts from Government of Kenya

These represent counterpart funding and other receipts from government of Kenya as follows:

	2020/21	2019/20	Cumulative to-date(from inception)
	Kshs	Kshs	
<i>Counterpart funding through Ministry of Water, Sanitation & Irrigation</i>			
Counterpart funds Quarter 1	185,338,665	112,500,000	310,338,665
Counterpart funds Quarter 2	-	20,153,988	32,653,988
Counterpart funds Quarter 3	-	-	13,566,967
Counterpart funds Quarter 4	-	-	-
Total	185,338,665	132,653,988	356,559,620

3 Proceeds from Domestic and Foreign Grants

During the 12 months to 30th June 2021, we did not received grants from external financiers in form of Direct Payments.

4 Loan from External Development Partners

During the 12 months to 30th June ,2021 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in Kshs	
			Kshs	Kshs FY 2020/2021	FY 2019/2020	FY19/20
Loans Received from Bilateral Donors (Foreign Governments)						
African Development Bank	30/06/2021		0	2,094,035,513	1,580,239,008	595,936,942
Prior year adjustment				131,083,313		
Loans Received from Multilateral Donors						

*Kenya Towns Sustainable Water Supply and Sanitation Program
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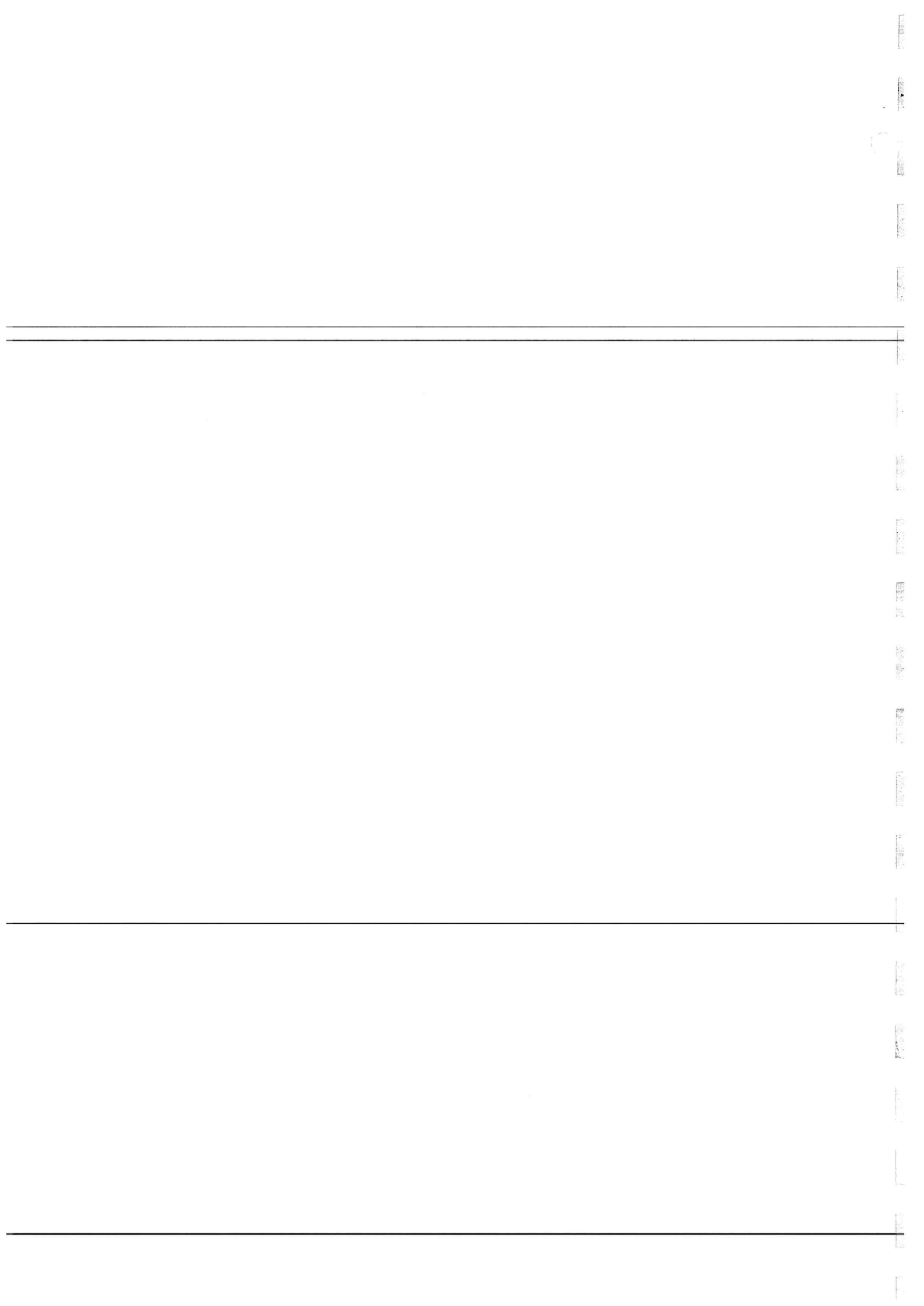
(International Organizations)						
Insert name of international organization		0	0	0	0	0
Total			0	2,225,118,826	1,580,239,008	595,936,943

5 Miscellaneous Receipts

During the 12 months to 30th June 2021, there were no miscellaneous receipts

6 Compensation of Employees

	2020/2021			2019/2020	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
-					
Basic salaries of permanent employees	0	0	0	1,184,451	1,184,451
Basic wages of temporary employees	0	0	0	0	0
Personal allowances paid as part of salary	0	0	0	0	0
Personal allowances paid as reimbursements	0	0	0	0	0
Personal allowances provided in kind	0	0	0	0	0
Pension and other social security contributions	0	0	0	0	0
Compulsory national social security schemes	0	0	0	0	0
Compulsory national health insurance schemes	0	0	0	0	0
Social benefit schemes outside government	0	0	0	0	0
Other personnel payments	0	0	0	0	0
Total	0	0	0	1,184,451	1,184,451



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7 Purchase of Goods and Services

	2020-2021			2019-2020	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-	-	-	4,042,651	4,042,651
Communication, supplies and services	13,695,344	-	13,695,344	-	13,695,344
Domestic travel and subsistence	42,542,753	-	42,542,753	25,661,954	94,522,057
Foreign travel and subsistence	-	-	-	-	1,713,306
Printing, advertising and – information supplies & services	14,541,541	-	14,529,041	3,445,158	22,561,242
Rentals of produced assets	-	-	-	-	-
Training payments	-	-	-	1,908,422	4,331,477
Hospitality supplies and services	2,295,320	-	2,295,320	-	2,295,320
Insurance costs	-	-	-	-	-
Consultancy Services	-	417,809,750	417,809,750	263,634,221	992,497,107
Other operating payments	584,992	-	584,992	11,715,573	12,300,565
Routine maintenance – vehicles and other transport equipment	714,764	-	714,764	627,190	1,341,954
Fuel Oils and lubricants	2,797,000	-	2,797,000	-	2,797,000
Furniture & Fittings	2,820,517	-	2,820,517	-	2,820,517
Total	79,992,231	417,809,750	497,801,981	309,849,718	1,154,942,553

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8 Social Security Benefits

During the 12 months to 30th June 2021, there were no social security benefits

9 Acquisition of Non-Financial Assets

	2020/2021			2019/2020	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of buildings	0	0	0	0	0
Construction of buildings	0	0	0	0	0
Refurbishment of buildings	0	0	0	0	0
Construction of roads	0	0	0	0	0
Construction of civil works	0	1,676,225,764	1,676,225,764	1,673,460,690	3,349,686,454
Overhaul & refurbishment of construction and civil works	0	0	0	0	0
Purchase of vehicles & other transport equipment	0	0	0	0	0
Overhaul of vehicles & other transport equipment	0	0	0	0	0
Purchase of household furniture & institutional equipment	0	0	0	0	0
Purchase of office furniture & general equipment	0	0	0	0	0
Purchase of specialised plant, equipment and machinery	0	0	0	0	0
Rehabilitation & renovation of plant, equipment & machinery	0	0	0	0	0
Purchase of certified seeds, breeding stock and live animals	0	0	0	0	0
Research, studies, project preparation, design & supervision	0	0	0	0	0
Rehabilitation of civil works	0	0	0	0	0

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	2020/2021			2019/2020	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
Acquisition of strategic stocks	0	0	0	0	0
Acquisition of land	105,346,434	0	105,346,434	85,254,040	194,102,974
Acquisition of other intangible assets		0	0	0	0
Total	105,346,434	1,676,225,764	1,781,572,198	1,758,714,730	3,543,789,428

10 Transfers to other Government Entities

During the 12 months to 30 June 2021, there were no transfers of funds to reporting government entities

11 Other Grants and Transfers and Payments

During the 12 months to 30 June 2021, there were no other grants and transfers and payments

12 Cash and Cash Equivalents Carried Forward

	2020/21	2019/20
	KShs	KShs
Bank accounts	100,012,714	222,851,379
Cash in hand	0	0
Cash equivalents	0	0
Total	100,012,714	222,851,379

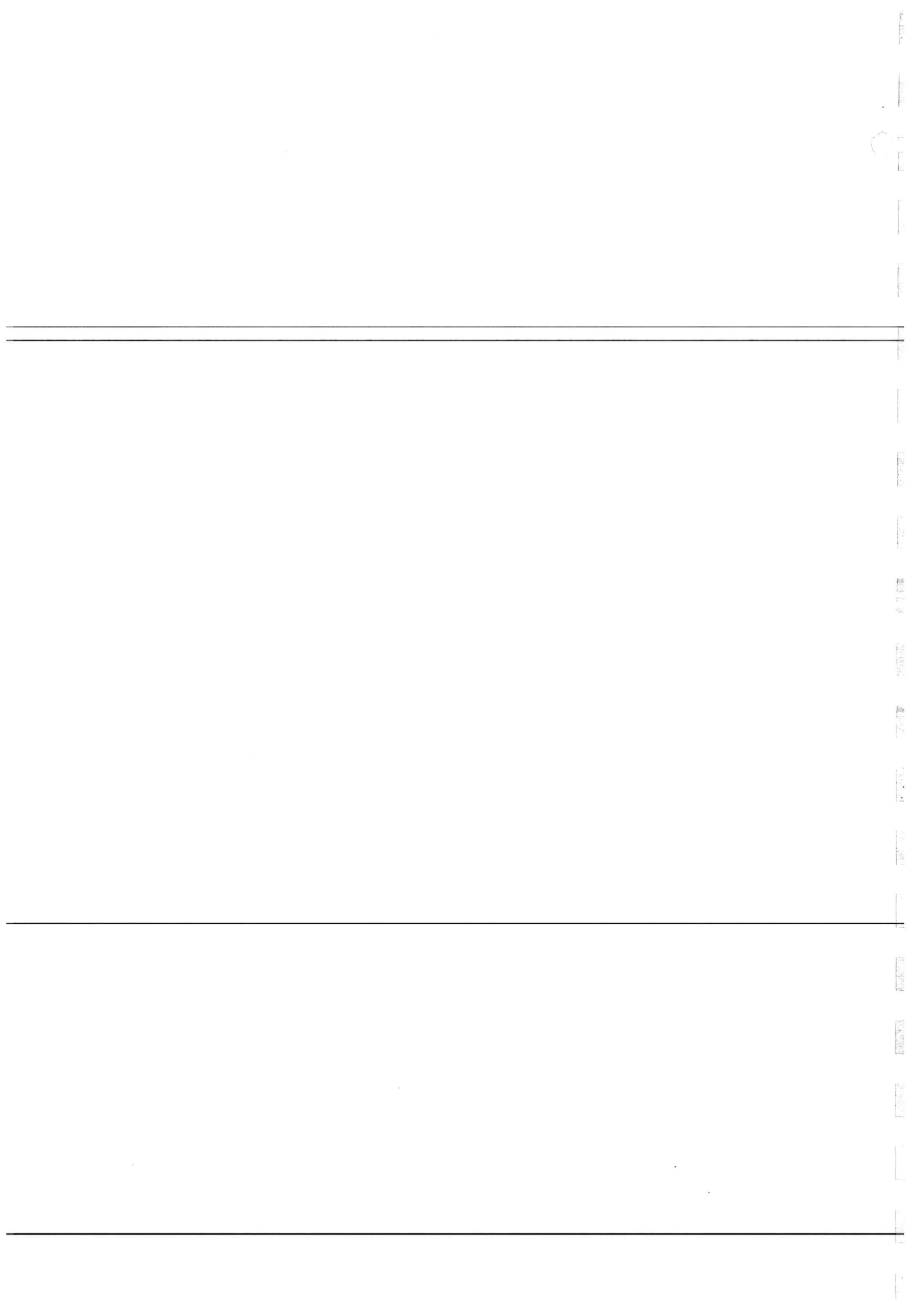
13 A. Bank Accounts

Project Bank Accounts

The project has no special account.

- **Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision. Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were



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voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

14 . Cash in Hand

There were no Cash in hand as at the close of the period

15 Prior Year Adjustment

a) Payment for Services

Saman Corporation JV Profesional Consultant	146,028.00	101.75	14,858,349	Consultancy for Malaba Water Supply Project
Saman Corporation JV Profesional Consultant	48,159.92	101.75	4,900,272	Consultancy for Malaba Water Supply Project
CAS Consultants Ltd	6,294,998.00	1.00	6,294,998	consultancy for Bergei Dam
CAS Consultants Ltd	75,000.00	101.09	7,581,750	consultancy for Bergei Dam
KOREA ENGINEERING GROUP	842,772.00	1.00	842,772	Consultancy for Eldama Ravine
KOREA ENGINEERING GROUP	19,617.70	102.71	2,014,934	Consultancy for Eldama Ravine
KOREA ENGINEERING GROUP	6,195.00	102.71	636,288	Consultancy for Eldama Ravine
Seureca East Africa Ltd	41,461.70	115.24	4,778,046	Construction of Kapenguria, Sewerage Project
SGI Studio in Jv with Designmasterplan & Sari	11,449.71	114.08	1,306,208	Consultancy for Kiptogot-Kolongolo Water Supply Project
SGI Studio in Jv with Designmasterplan & Sari	7,300.54	114.08	832,862	Consultancy for Kiptogot-Kolongolo Water Supply Project
GIBB Africa	50,917.50	103.05	5,247,048	Consultancy for Nandi Hills
GIBB Africa	12,764,461.50	1.00	12,764,462	Consultancy for Nandi Hills
Beta Studio	83,592.00	103.86	8,681,865	Consultancy for Amaya Dam
Beta Studio	1,232,245.20	1.00	1,232,245	Consultancy for Amaya Dam
Sub total			71,972,100	
b) <u>Payment for Civil Works</u>				
Sinohydro Corporation Limited	59,111,212.96	1.00	59,111,213	Construction of Narok-Town sewerage project
Sub total			59,111,213	
TOTAL			131,083,313	

This represents prior year loan receipts that the donor disbursed and listing provided

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11 OTHER IMPORTANT DISCLOSURES
Pending Accounts Payable (See Annex 2A)

Description	Balance b/f FY 2020/2021 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2021/2022 Kshs
Construction of buildings	0	0	0	
Construction of civil works	404,338,999	2,398,960,824	1,676,225,764	1,127,074,059
Supply of goods	0	0	0	0
Supply of services	209,814,078	245,963,417	417,809,750	37,967,745
Total	614,153,077	2,644,924,241	2,094,035,514	1,165,041,804

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*Kenya Towns Sustainable Water Supply and Sanitation Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

**12 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.

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported transfers from Government entities	<i>We have provided evidence of receipt of the funding indicating the dates disbursed and amount as per the budget line or program.</i>	Agnes Bowen-Project Accountant	Resolved	30 June 2021
2	Bank Balances	<i>The Development account for all the projects is Account no 1101792388, included are funds for this Program. As advised and for ease of reconciliation and management of the project funds, we are going to make a formal request to open the specific project account.</i>	Agnes Bowen-Project Accountant	Not resolved	30 December 2021
Key audit matters					
1	Pending bills	<i>A prior year adjustment has been effected in 2020/21 Financial Statements</i>	Agnes Bowen-Project Accountant	Resolved	30 June 2021
2	Budget Control & Performance	<i>All projects were to commence as planned. but there were delays in getting approvals of the master list for tax exemptions from the National Treasury hence the delays in project commencement. hence the under expenditure from budgeted funds</i>	Eng S Oruma – Ag. CEO	Resolved	30 July 2020

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Reports and Financial Statements
For the financial year ended June 30, 2021*

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Report on lawfulness and effectiveness in use of public funds					
1	Failure to maintain separate programme bank account	<i>As advised and for ease of reconciliation and management of the project funds, we have made a formal request to open the specific project account.</i>	Eng S Oruma – Ag. CEO	Not resolved	30 December 2021
2	Fixed assets register	<i>Duly filled Assets register is being maintained as required and herewith attached for your verification.</i>	Agnes Bowen-Project Accountant	Resolved	30 June 2021
3	Project implementation Status	<i>There were delays in getting approvals of the master list for tax exemptions from the National Treasury hence the delays in project commencement. those that delayed have had to seek for approve for project extensions from the ADB</i>	Eng. Patrose Leshinka-Project coordinator	Resolved	30 July 2020
4	Acquisition of Land	<i>The land which was acquired was a subject of dispute in Ukwala cmcc no 70 OF 2018. Since parties were willing to negotiate we entered into a consent recorded in court for the amount to be deposited in the joint account of the advocates pending the determination of the case. The subdivision and transfer is to be undertaken with the assistance of the executive officer of Ukwala Law courts irrespective of the outcome according to order no 9 of the court order dated 10th September 2019. (Attached is the copy of the court order.) The delay in proceeding with the</i>	Eng S Oruma – Ag. CEO	Resolved	30 June 2021

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 Reports and Financial Statements
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Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>subdivision was occasioned by the need to preserve the subject matter pending before the courts.</i>			
Effectiveness of internal controls					
	Lack of risk Management Policy	<i>A Risk register is in place for the organization based on a risk assessment conducted in March 2016. We have undertaken a review of the same and are currently working on an updated risk assessment. Based on the inhouse risk registers formulated we have further formatted TORs for the risk management framework that will be used to develop the risk Policy. The TORs for Risk assessment are attached as well.</i>	Eng S Oruma – Ag. CEO	Resolved	30 July 2020



 Ag. Chief Executive Officer

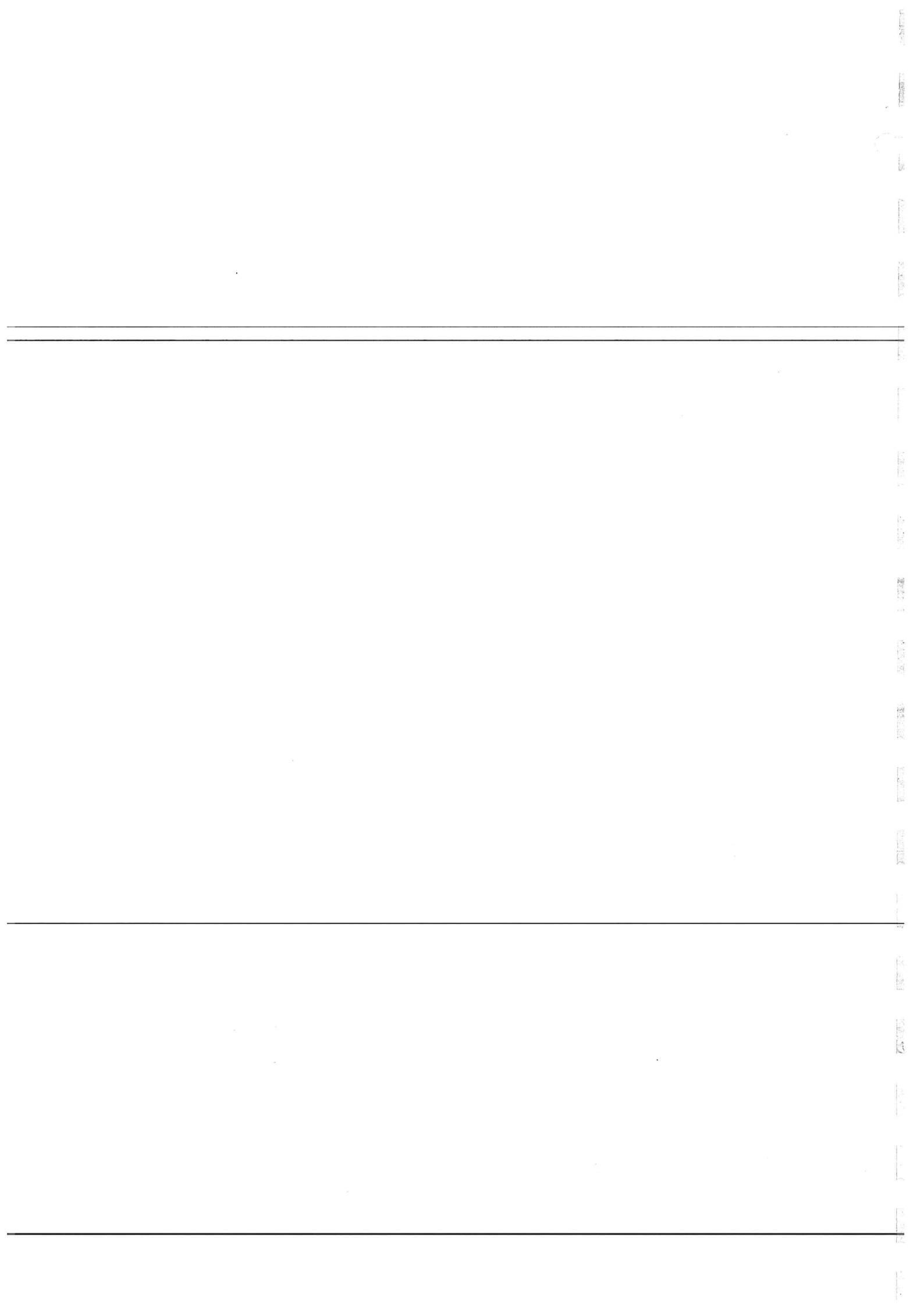
 Date



 Project Coordinator

 Date


 SPECIAL MANAGER
 Finance & Administrative Services
 23 NOV 2021
 Central Rift Valley Water Works Development Agency
 P.O. Box 2481-20100, Nakuru



*Kenya Towns Sustainable Water Supply and Sanitation Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

13 ANNEXES

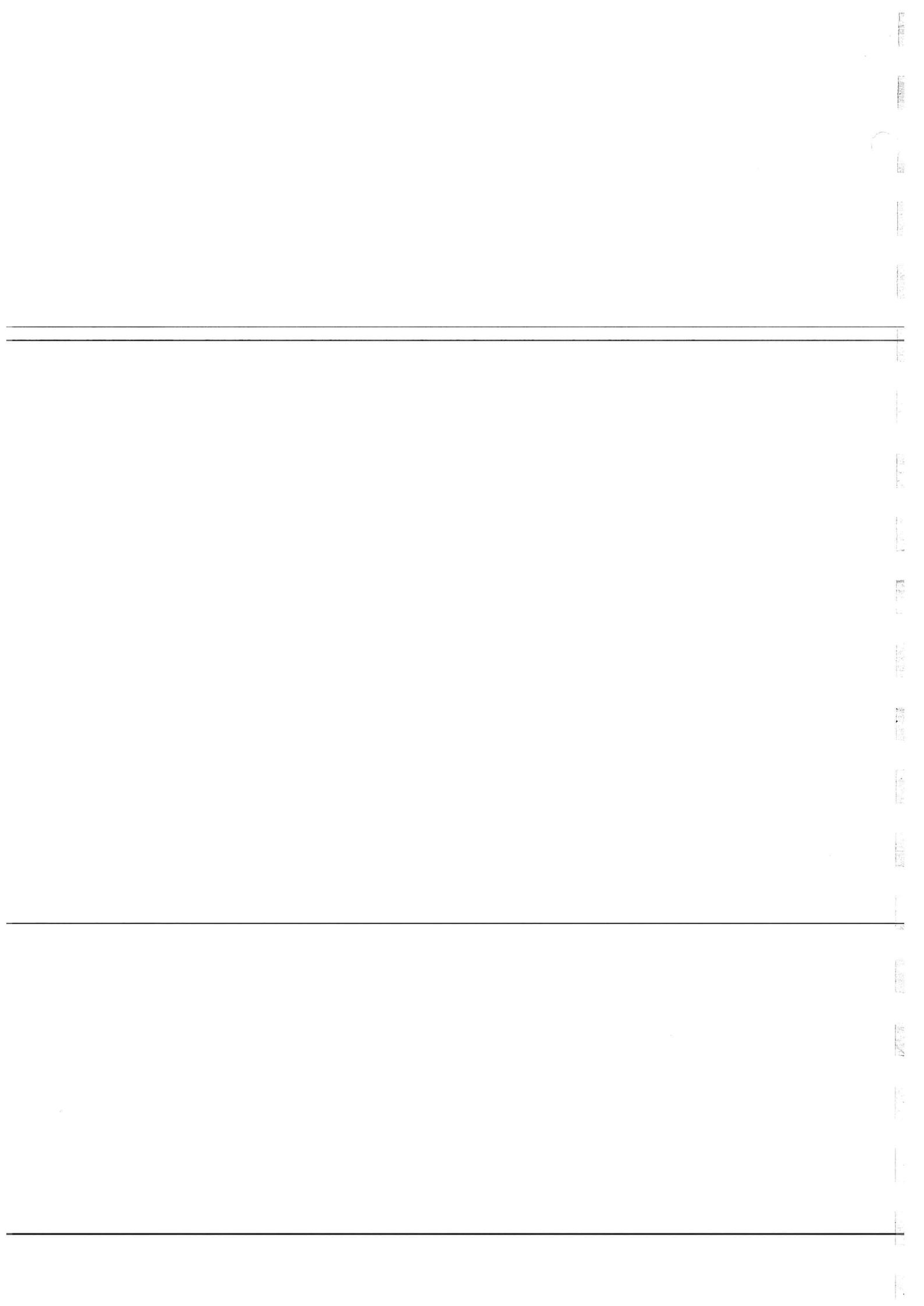
ANNEX 1 - Variance Explanations - Comparative Budget and Actual Amounts

Receipts	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Transfer from Government entities	62,500,000	185,338,665	(122,838,665)	297	<i>funds from the previous financial year</i>
Proceeds from domestic and foreign grants	-	-	-	0	
Loan from external development partners	2,380,000,000	2,094,035,513	(285,964,487)	88	<i>Approvals of the master list for tax exemptions realized and contractors mobilized as advance payments were also made during</i>
Prior year adjustment		131,083,313			
Total Receipts	2,442,500,000	2,410,457,491	163,125,822	99	
Payments					
Compensation of employees	-	-	-	0	
Purchase of goods and services	455,275,000	497,801,981	(42,526,981)	109	<i>funds from the previous financial year</i>
Social security benefits	-	-	-	0	
Acquisition of non-financial assets	1,987,255,000	1,781,572,198	205,652,802	91	
Transfers to other government entities	-	-	-	0	
Other grants and transfers	-	-	-	0	
Prior year adjustments		131,083,313	131,083,313	100	
Total payments	2,380,000,000	2,410,457,491	294,209,134	99	

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Reports and Financial Statements
For the financial year ended June 30, 2021*

Annex 2 - Analysis of Pending Bills

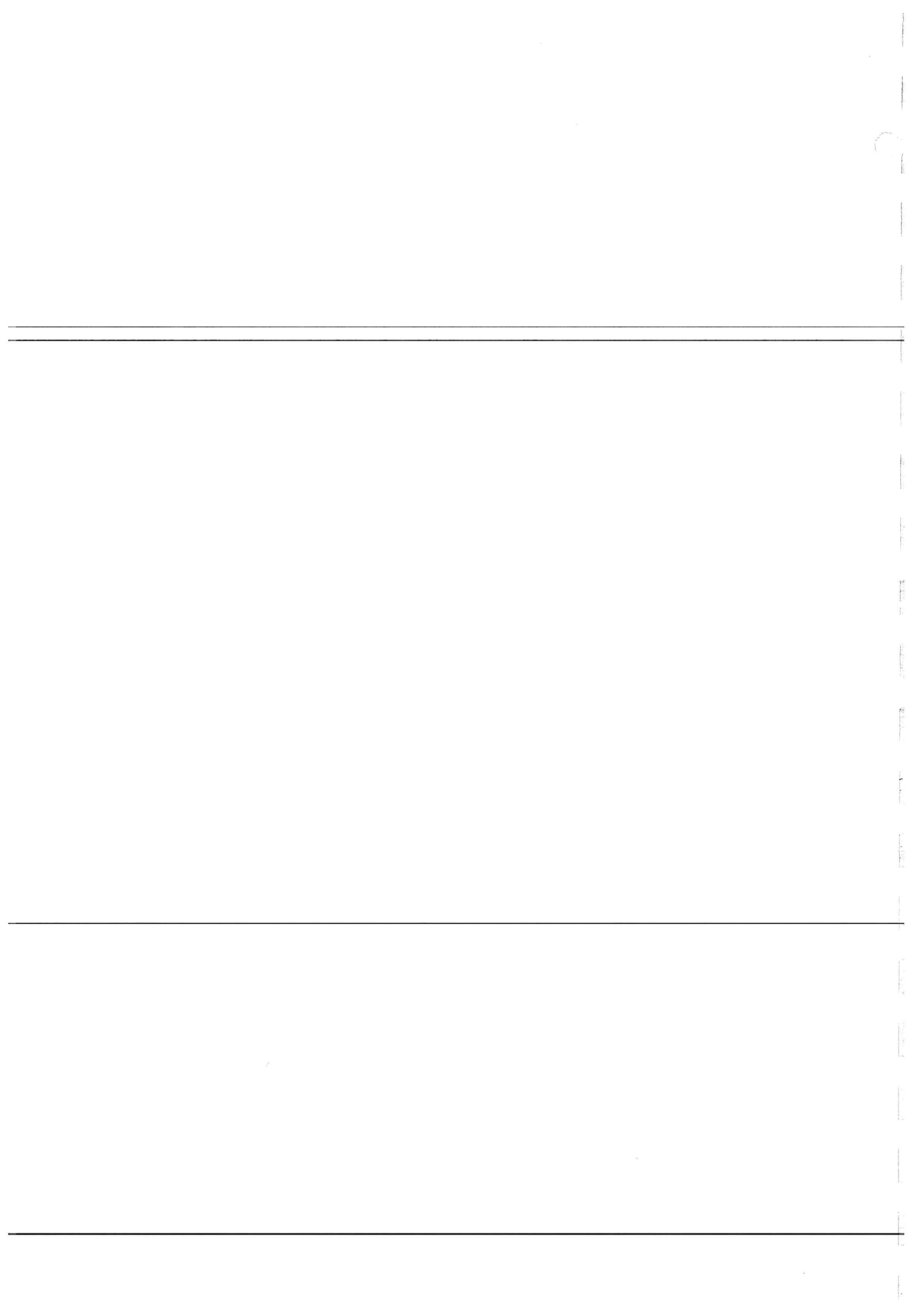
No.	A	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2,021	Outstanding Balance 2,020	Comments
	b		c	d=a-c			
1		232,040,249	13/09/2018	200,089,591	31,950,658	-	IPC 4
2		1,451,530,030	20/12/2018	1,279,695,367	171,834,662	212,337,209	IPC 8 & 9
3		290,200,862	16/10/2018	198,600,629	91,600,233	83,074,807	IPC 2
4		22,666,284	25/02/2021	-	22,666,284	-	IPC 1
5		43,719,240	15/05/2020	-	43,719,240	-	IPC 1
6		96,422,027	15/09/2020	-	96,422,027	-	IPC 1
7		291,108,666		234,456,914	56,651,753	-	IPC 3
8		230,399,668	15/05/2020	117,987,438	112,412,230	-	IPC 3,4
10		634,853,339	15/11/2018	471,086,187	163,767,152	-	IPC 4
11		445,773,975	7/8/2018	276,478,403	169,025,572	-	IPC 3
12		35,689,250	20/11/2020	-	35,689,250	-	IPC 1
13		22,861,999	17/09/2020	-	22,861,999	-	IPC 1
14		55,410,596	29/07/2020	-	55,410,596	-	IPC 1
15		53,062,403	11/9/2020	-	53,062,403	-	IPC 1
		3,905,738,588		2,778,394,529	1,127,074,059	295,412,016	
16		137,070,051	27/10/2017	116,912,691	20,157,361	16,125,888	IPC 5
17		84,250,508	11/9/2017	66,410,124	17,810,384	-	IPC 7
		221,320,559		183,322,815	37,967,745	16,125,888	
		4,127,059,147		2,961,717,344	1,165,041,804	311,537,904	



Kenya Towns Sustainable Water Supply and Sanitation Program
Statement of Budget Performance
For the year ended June 30, 2021

Annex 3-Summary of Fixed Asset Register

Asset class	Opening Cost	Donations in form of assets	*Purchases/ Additions in the Year	Disposals in the Year	Transfers in/(out)	Closing Cost
	(Kshs) 2019/20	ksh 2020/21	(Kshs) 2020/21	(Kshs) 2020/21	Kshs 2020/21	(Kshs) 2020/21
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+(c)+(-)d
Land	85,254,040	-	105,346,434	-	-	190,600,474
Buildings and structures	20,763,114	-	28,411,357	-	-	49,174,471
Transport equipment	88,776,720	-	39,330,216	-	(23,400,556)	104,706,380
Office equipment, furniture and fittings	5,062,900	-	533,665	-	-	5,596,565
ICT Equipment,	3,066,232	-	330,000	-	-	3,396,232
Other Machinery and Equipment	3,678,125	-	2,168,550	-	-	5,846,675
Heritage and cultural assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Infrastructure assets roads, rails	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Work in Progress	1,195,257,696	-	1,605,451,976	-	-	2,800,709,672
Total	1,401,858,827	-	1,781,572,198	-	(23,400,556)	3,160,030,469



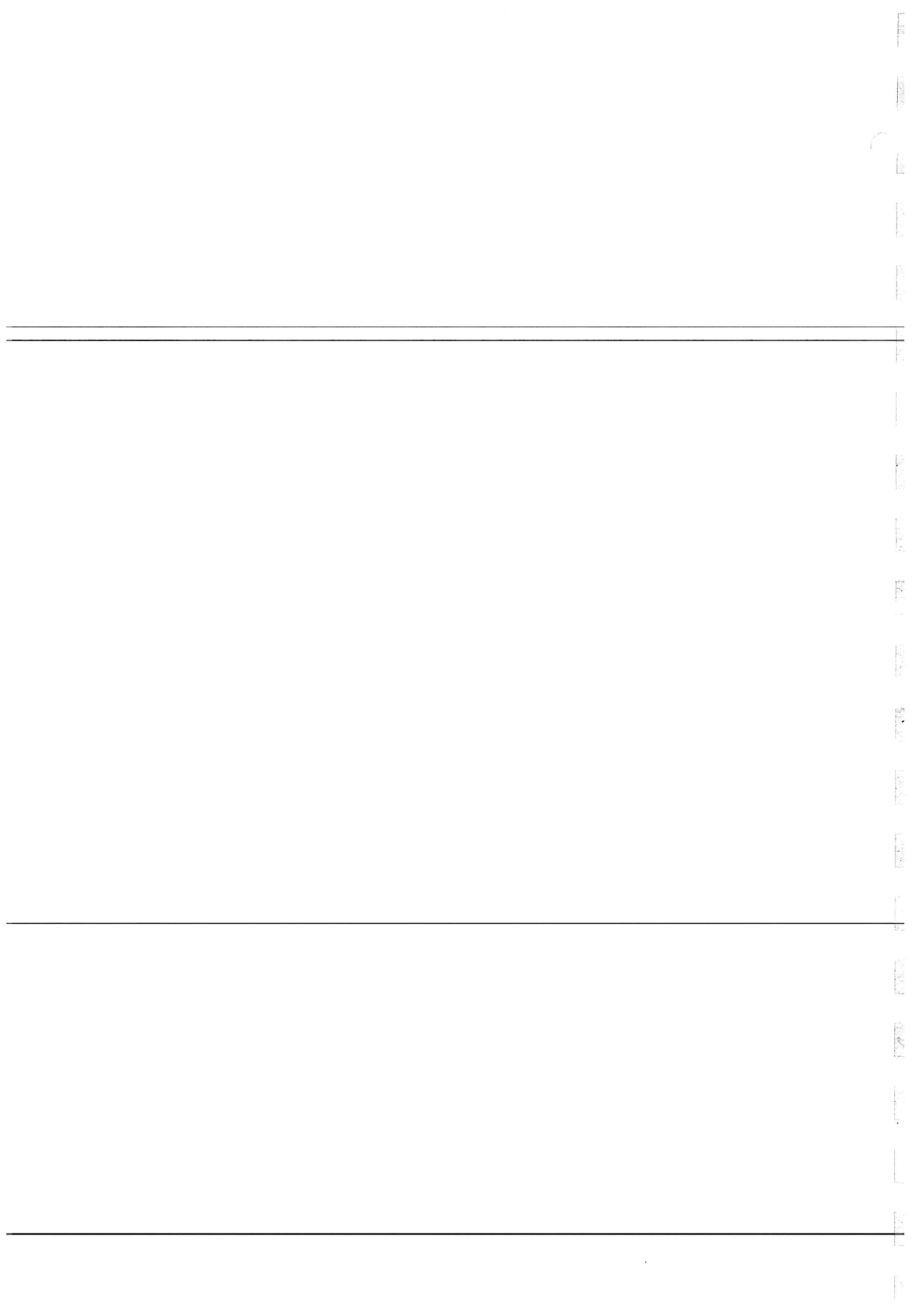
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14 APPENDICES

Appendix 1

KENDU BAY WATER SUPPLY

Asset class	Opening Cost (Kshs) 2019/20	Donations in form of assets ksh 2020/21	*Purchases/ Additions in the Year (Kshs) 2020/21	Disposals in the Year (Kshs) 2020/21	Transfers in/(out) Kshs 2020/21	Closing Cost (Kshs) 2020/21
	(a)	(b)	(c)	(d)	(d)	(e) = (a) + (b) + (c) + (-))d
Land	-	-	19,233,140	-	-	19,233,140
Buildings and structures	-	-	23,378,432	-	-	23,378,432
Transport equipment	-	-	11,982,430	-	-	11,982,430
Work in Progress	116,194,717	-	44,028,335	-	-	160,223,052
Total	116,194,717	-	98,622,337	-	-	214,817,054



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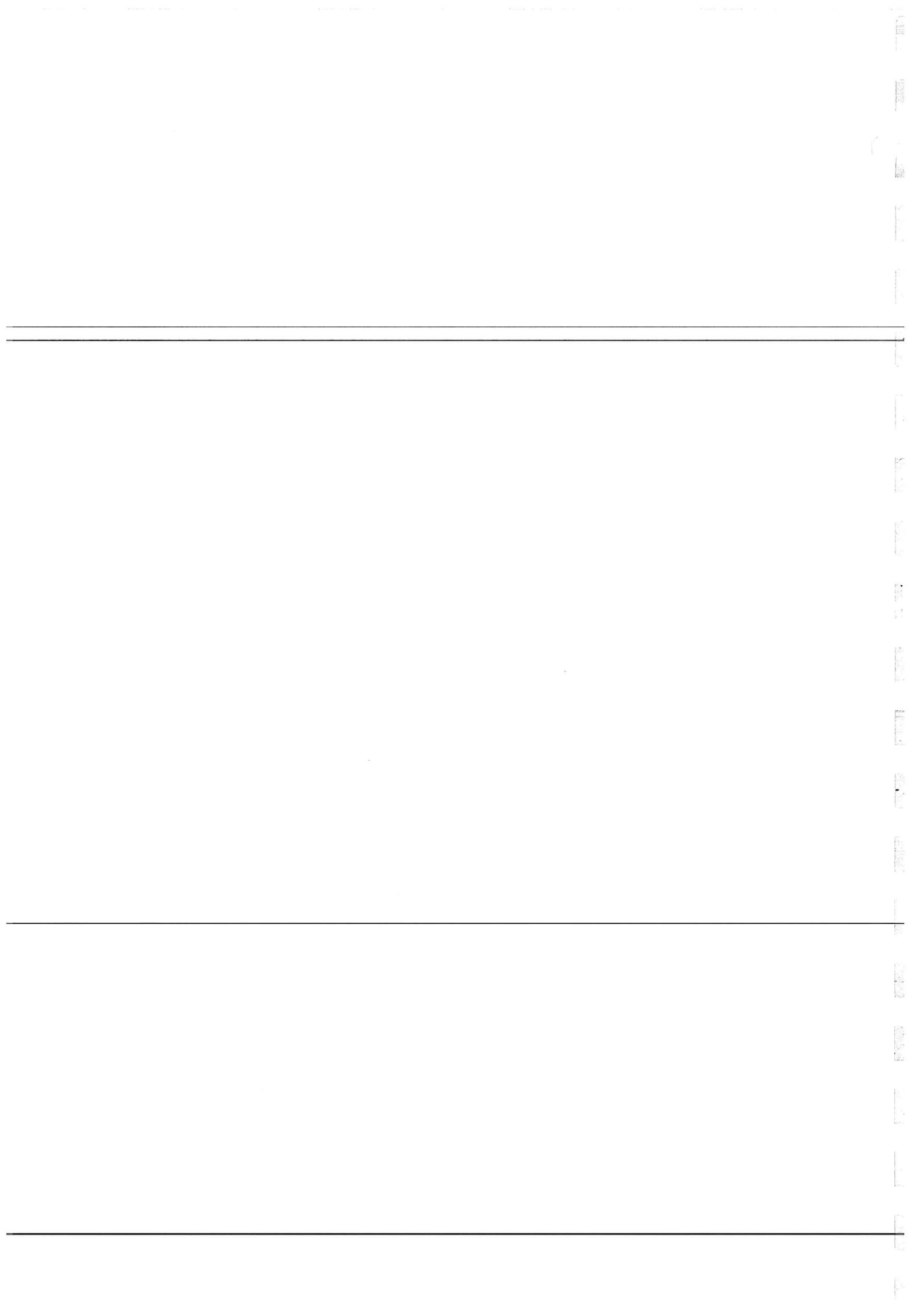
Appendix 2
 KIPKARREN DAM

Asset class	Donations in form of assets		*Purchases / Additions in the Year (Kshs)	**Disposals in the Year (Kshs)	Transfers in/(out) Kshs	Closing Cost (Kshs)
	Opening Cost (Kshs)	2019/20				
	2019/20	2020/21				
	(a)	(b)	(c)	(d)	(d)	(e) = (a) + (b) - (c) + (-) d
Land	-	-	19,698,750	-	-	19,698,750
Transport equipment	17,300,000	-	-	-	-	17,300,000
Office equipment, furniture and fittings	530,653	-	-	-	-	530,653
ICT Equipment,	525,503	-	-	-	-	525,503
Work in Progress	15,726,258	-	81,574,577	-	-	97,300,834
Total	34,082,414	-	101,273,327	-	-	135,355,740

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**Appendix 3
UGUNJA-UKWALA SEGA**

Asset class	Opening Cost	Donations in form of assets	* Purchases/Additions in the Year	** Disposals in the Year	Transfers in/(out)	Closing Cost
	(Kshs)	ksh	(Kshs)	(Kshs)	Kshs	(Kshs)
	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21
(a)	(b)	(c)	(d)	(d)	(e) = (a) + (b) - (c) + (-) d	
Land	7,550,000		1,928,500	-	-	9,478,500
Transport equipment	21,096,013	-	-	-	-	21,096,013
Office equipment, furniture and fittings	2,500,000	-	-	-	-	2,500,000
ICT Equipment,	148,000	-	-	-	-	148,000
Work in Progress	185,627,728		230,943,236	-	-	416,570,963
Total	216,921,741		232,871,736	-	-	449,793,476

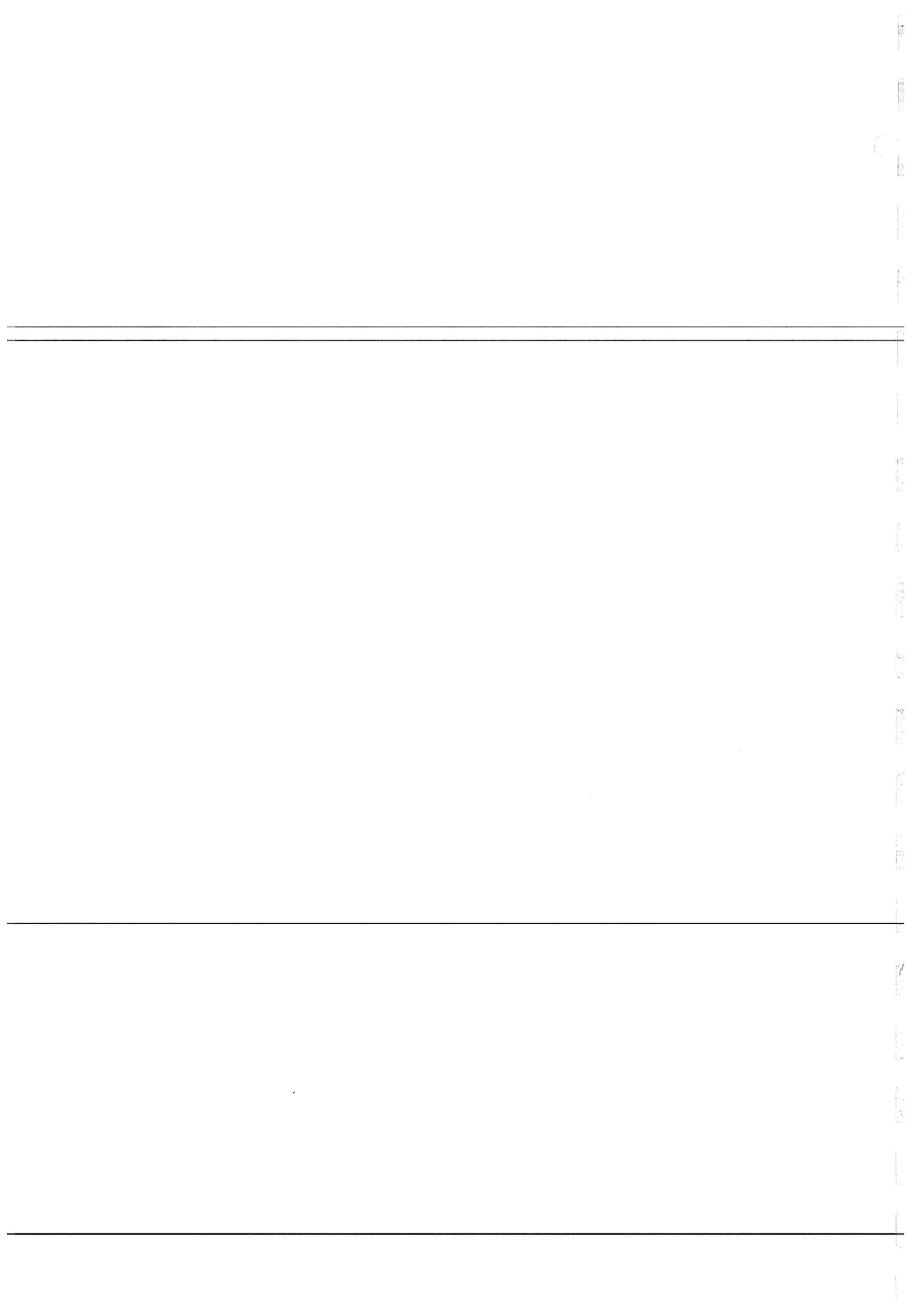


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Appendix 4

NAROK TOWN SEWERAGE

Asset class	Opening Cost	Donations in	*Purchases	**Disposals in	Transfers in/(out)	Closing Cost
	(Kshs)	form of assets	/Additions in	the Year	Kshs	(Kshs)
	2019/20	ksh	the Year	2020/21	2020/21	2020/21
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)- (c)+(-)d
Land	32,391,090	-	1,514,000	-	-	33,905,090
Buildings and structures	10,646,286	-	-	-	-	10,646,286
Transport equipment	36,037,001	-	23,400,556	-	23,400,556	36,037,001
Office equipment, furniture and fittings	1,716,100	-	-	-	-	1,716,100
ICT Equipment,	1,170,139	-	-	-	-	1,170,139
Other Machinery and Equipment	1,706,125	-	2,168,550	-	3,874,675	-
Work in Progress	482,519,581	-	424,738,602	-	-	907,258,183
Total	566,186,322	-	451,821,708	-	27,275,231	990,732,799

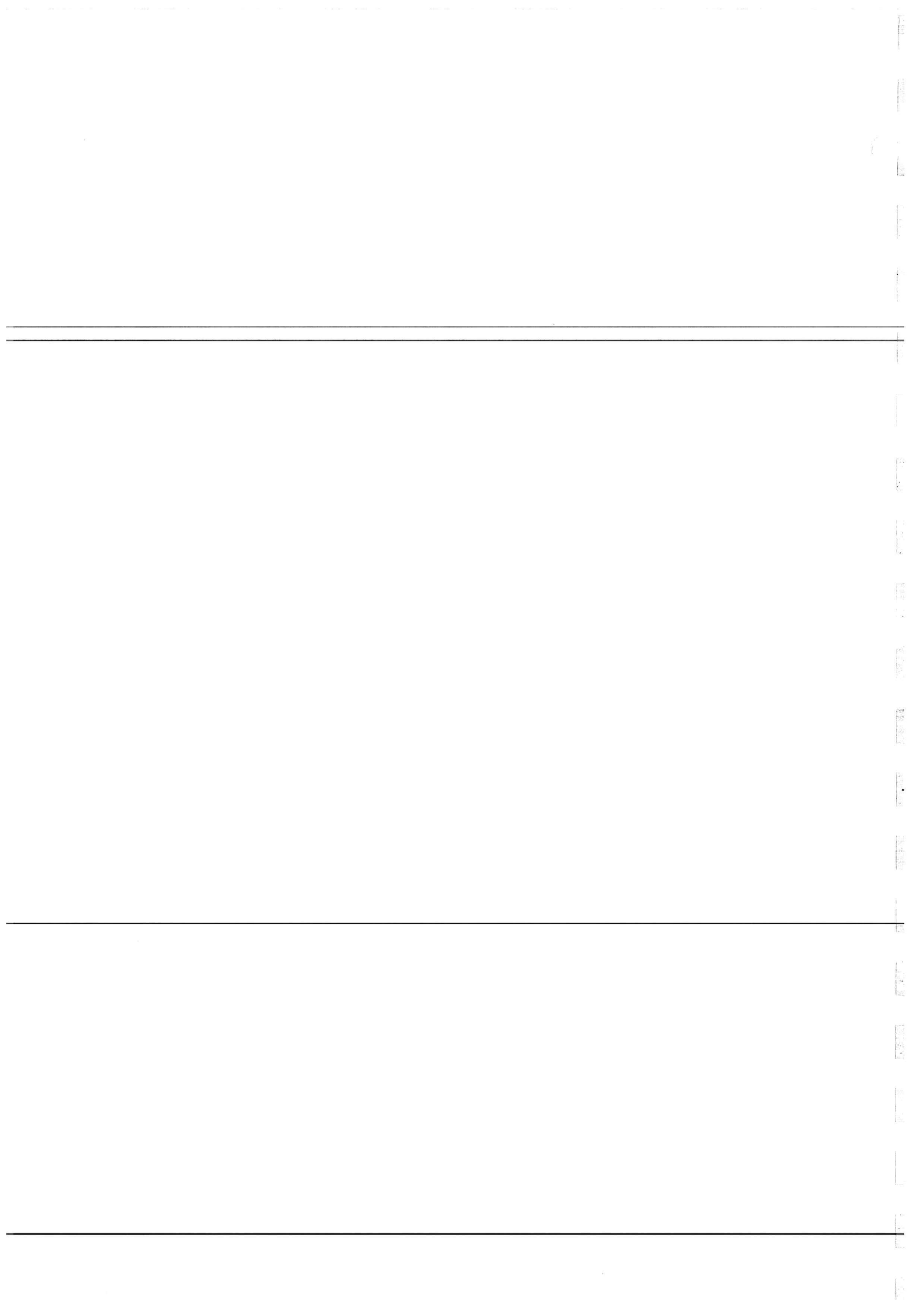


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Appendix 4

OYUGIS WATER SUPPLY

Asset class	Opening Cost (Kshs)	Donations in form of assets	*Purchases/ Additions in the Year (Kshs)	** Disposals in the Year (Kshs)	Transfers in/(out) Kshs	Closing Cost (Kshs)
	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)- (c)+(-)d
Land	330,000	-	5,225,306			5,555,306
Buildings and structures	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Work in Progress	121,764,482	-	78,223,970	-	-	199,988,452
Total	122,094,482	-	83,449,276	-	-	205,543,758

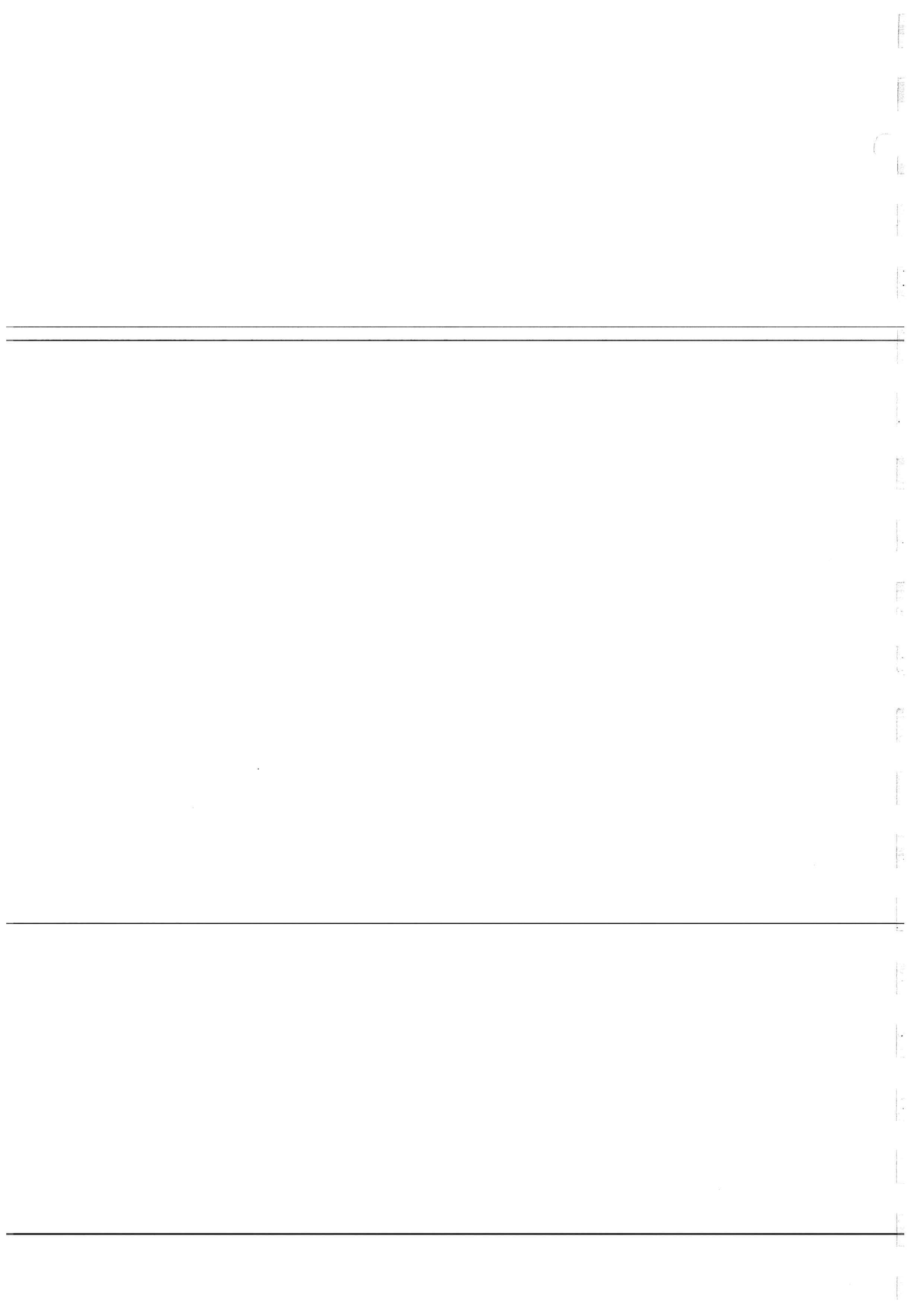


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Appendix 5

KIPTOGOT- KOLONGOLO WATER SUPPLY PROJECT

Asset class	Donations in form of assets		*Purchases/Additions in the Year (Kshs) 2020/21	**Disposals in the Year (Kshs) 2020/21	Transfers in/(out) Kshs 2020/21	Closing Cost (Kshs) 2020/21
	Opening Cost (Kshs) 2019/20	(a)				
	(Kshs) 2020/21	(b)				
Land	-	(a)	(c)	(d)	(d)	(e) = (a) + (b) - (c) + (-) d 365,000
Buildings and structures	10,116,828	-	5,032,925	-	-	15,149,753
Transport equipment	14,343,706	-	-	-	-	14,343,706
Office equipment, furniture and fittings	316,147	-	-	-	-	316,147
ICT Equipment,	1,222,590	-	-	-	-	1,222,590
Other Machinery and Equipment	1,972,000	-	-	-	-	1,972,000
Work in Progress	212,033,664	-	226,048,369	-	-	438,082,033
Total	240,004,935	-	231,446,294	-	-	471,451,229



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Appendix 6
 OLKALOU SEWERAGE

Asset class	Opening Cost (K.shs)	donations in form of assets Ksh	* Purchases/Additions in the Year (K.shs)	** Disposals in the Year (K.shs)	Transfers in/(out) K.shs	Closing Cost (K.shs)
	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21
	(a)	(b)	(c)	(d)	(d)	(e) = (a) + (b) - (c) + (-) d
Land	-	-	36,337,652	-	-	36,337,652
Buildings and structures	-	-	-	-	-	-
Work in Progress	-	-	117,987,438	-	-	117,987,438
Total	-	-	154,325,090	-	-	154,325,090

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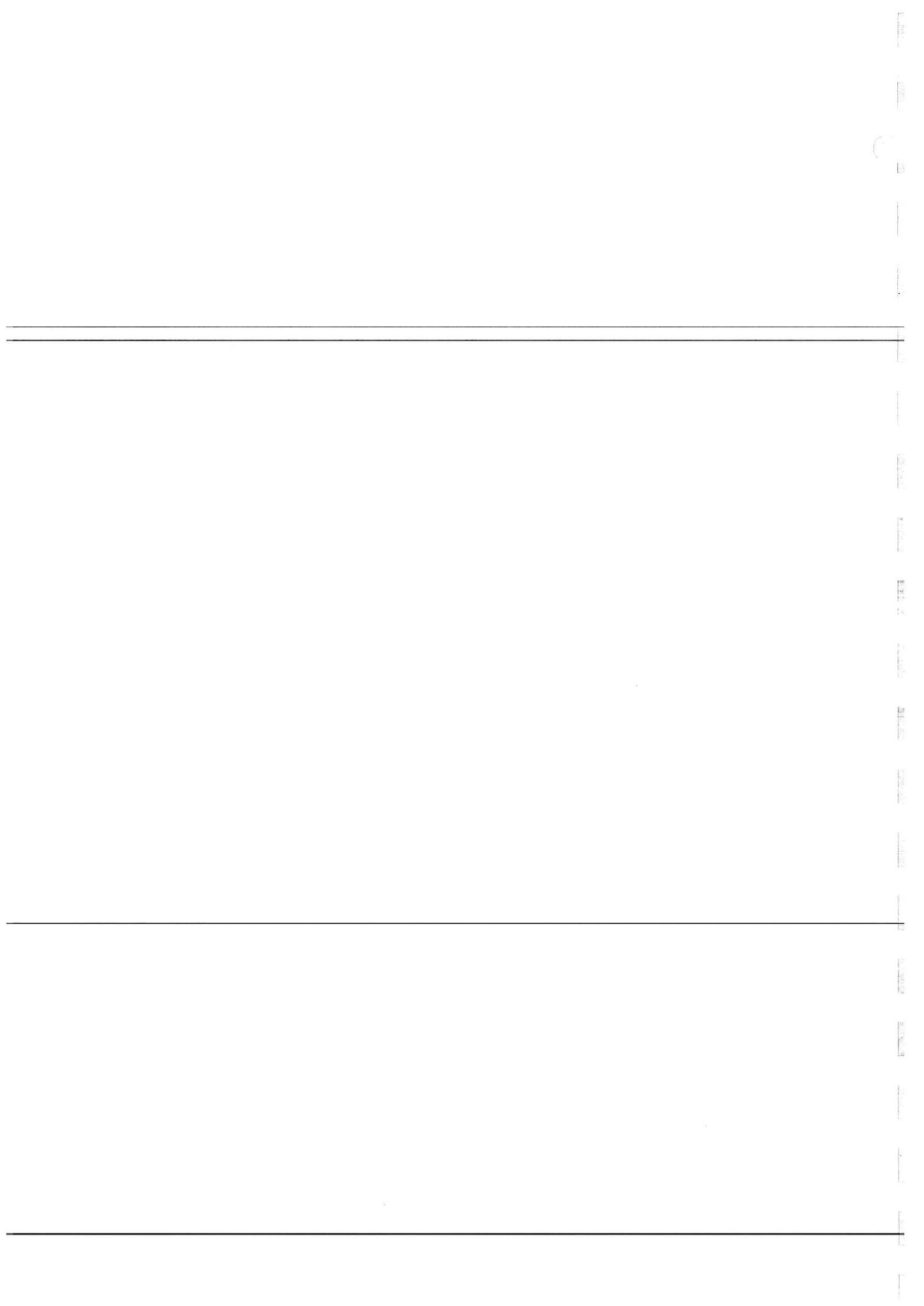
Appendix 7
 CHEPARERIA SEWERAGE

Asset class	Opening Cost (K.shs) 2019/20	donations in form of assets Ksh 2020/21	*Purchases/Additions in the Year (K.shs) 2020/21	**Disposals in the Year (K.shs) 2020/21	Transfers in/(out) K.shs 2020/21	Closing Cost (K.shs) 2020/21
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)- (c)+(-)d
Land	-	-	19,291,439	-	-	19,291,439
Buildings and structures	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-
Work in Progress	-	-	-	-	-	-
Total	-	-	19,291,439.0	-	-	19,291,439.0

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**Appendix 8
NANDI HILLS WATER SUPPLY**

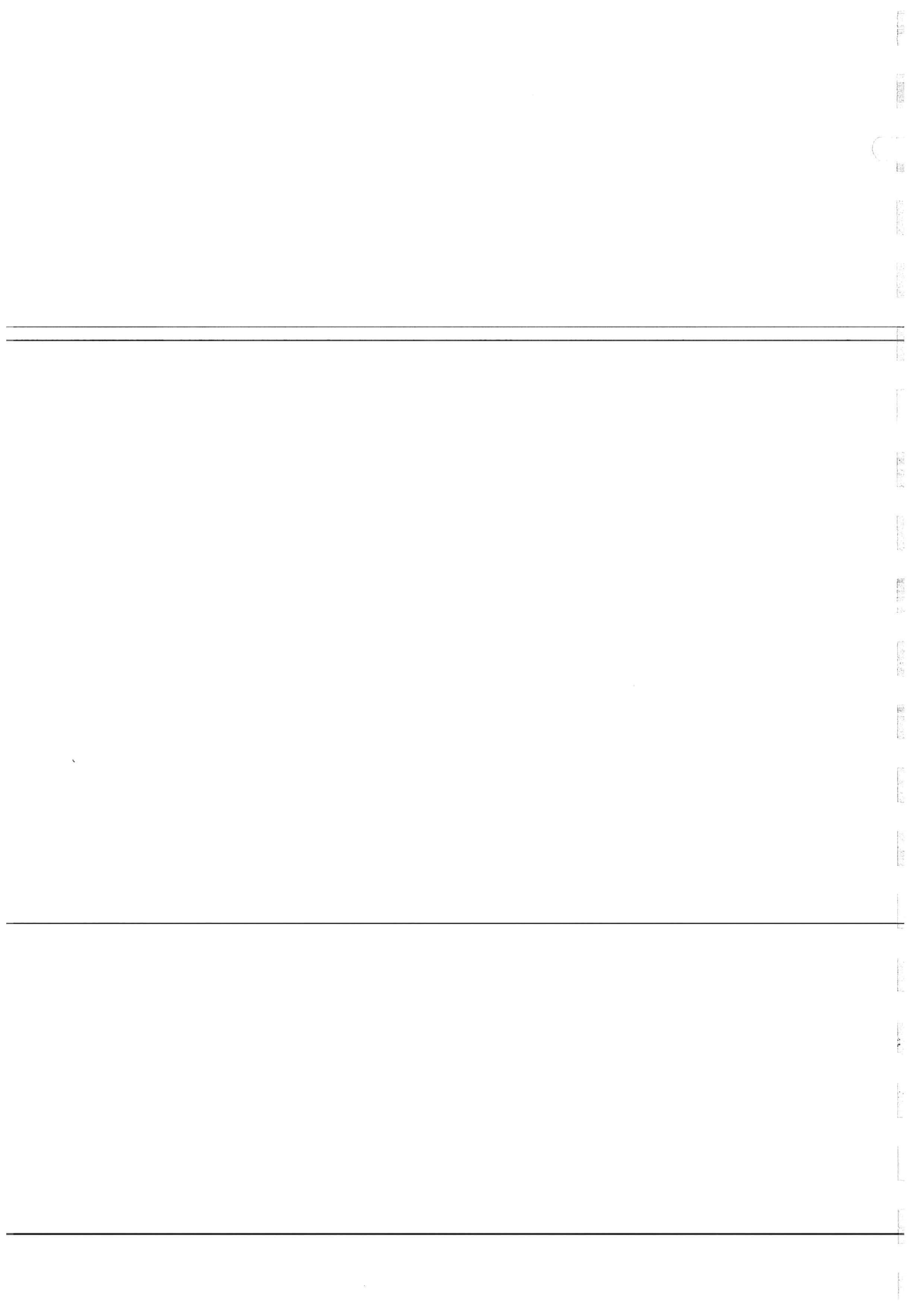
Asset class	Opening Cost (Kshs)	donations in form of assets Ksh	*Purchases/Additions in the Year (Kshs)	**Disposals in the Year (Kshs)	Transfers in/(out) Kshs	Closing Cost (Kshs)
	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21
(a)	(b)	(c)	(d)	(d)	(d)	(e)= (a)+ (b)-(c)+(-)d
Land	-	-	-	-	-	-
Buildings and structures	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-
Office equipment, furniture and fittings	-	-	278,465	-	-	278,465
Work in Progress	-	-	55,898,223	(278,465)	-	55,619,758
Total	-	-	56,176,688	(278,465)	-	55,898,223



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**Appendix 9
MALABA LOT 2**

Asset class	Opening Cost (Kshs)	donations in form of assets Ksh	*Purchases/Additions in the Year (Kshs)	**Disposals in the Year (Kshs)	Transfers in/(out) Kshs	Closing Cost (Kshs)
	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)-(d)+(- d)
Land	44,982,950	-	1,752,647	-	-	46,735,597
Buildings and structures	-	-	-	-	-	-
Transport equipment	-	-	3,947,230	-	-	3,947,230
Office equipment, furniture and fittings	-	-	255,200	-	-	255,200
ICT Equipment,	-	-	330,000	-	-	330,000
Intangible assets	-	-	-	-	-	-
Work in Progress	61,391,268	-	111,931,895	-	-	173,323,163
Total	106,374,218		118,216,972	-	-	224,591,190



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**Appendix 10
MALABA LOT 1**

Asset class	Opening Cost (K.shs) 2019/20 (a)	donations in form of assets Ksh 2020/21 (b)	*Purchases/Additions in the Year (K.shs) 2020/21 (c)	**Disposals in the Year (K.shs) 2020/21 (d)	Transfers in/(out) Kshs 2020/21 (d)	Closing Cost (K.shs) 2020/21 (e)= (a)+ (b)-(c)+(-)d
Land	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Work in Progress	-	-	130,867,385	-	-	130,867,385
Total	-	-	130,867,385	-	-	130,867,385

