

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY

DATE: 03 MAR 2022

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THE AUDITOR-GENERAL

ON

**LAKE VICTORIA SOUTH WATER WORKS
DEVELOPMENT AGENCY**

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



LAKE VICTORIA SOUTH WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

KEY INFORMATION AND MANAGEMENT

(a) Background information

The Water Act 2016 provided for the establishment of Water Works Development Agencies (WWDA). This was realized through Legal Notice No. 27 of 26th April 2019, which assigned 3rd of May 2019 as the day on which section 152 of the Water Act 2016 in so far as it relates to the WWDAs came into operation. Legal Notice No. 28 of 26th April 2019, led to the establishment of Lake Victoria South Water Works Development Agency (LVSWWDA) to cover a jurisdiction that includes; Bomet, Homa Bay, Kericho, Kisii, Kisumu, Migori, Nyamira and Siaya Counties. The Agency is governed by a board of directors which is responsible for its policy and strategic direction under the overall guidance of the Cabinet Secretary for Water, Sanitation and Irrigation.

(b) Principal Activities

The mission of the entity is “to deliver water and sanitation infrastructure through efficient utilization of resources using appropriate technology and innovations for improved livelihoods and economic growth in the region”.

The vision of the Agency is “Sustainable, Safe Water and Sanitation for all” while the core values are:

- **Integrity;** the staff are committed to acting in an honest, accountable and transparent manner in all our undertakings.
- **Professionalism;** the staff are committed to the highest level of competence and pertinent skills in all our endeavors.
- **Respect;** the staff are committed to providing service with compassion, courtesy and recognize the dignity of each individual person.
- **Efficiency;** the staff are committed to the achievement of the highest value of benefits from the employment of all resources within the region.
- **Teamwork;** the staff are committed to consult and pool their efforts in for enhanced service provision.

The strategic objectives of the Agency over the period 2019 to 2022 are the following;

1. Increase water services coverage from 53% to 80% by 2022.
2. Increase sanitation coverage from 17% to 43 % by 2022.
3. Enhance financial strength by realizing annual revenue of Kshs 9 Billion.
4. Strengthen Institutional Capacity by 20% by 2022.
5. Strengthen 8 Number Water Service Providers and respective Water Departments of the 8 County governments by 2022.

(c) Key Management

The LVSWWDA *day-to-day* management is under the following key organs:

- Board of Directors;
- Chief Executive Officer
- Chief Managers and
- Managers

(d) Fiduciary Management

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

No.	Designation	Name
1.	Chief Executive Officer	Eng. George Odedeh
2.	Chief Manager Technical Services	Eng. Daniel Oronje
3.	Chief Manager of Finance	CPA John F. Adongo
4.	Chief Manager Corporate & Planning	Ms. Miriam Siwa
5.	Chief Manager Human Resources & Admin.	Mr. Sammy Kigen
6.	Head of Procurement	Mr. Martin Ochieng
7.	Head of Internal Audit	Mr. Mark Mwango

(e) Fiduciary Oversight Arrangements

Lake Victoria South Water Works Development Agency has three constituted committees out of which the key fiduciary oversight committees are:

- i. Water and Sanitation Committee
- ii. Governance and Resource Mobilization Committee
- iii. Audit and Risk Assurance Committee

(f) Headquarter

Lake Victoria South Water Works Development Agency
Lavictors House, Ring road Milimani
P O Box 3325- 40100
KISUMU, KENYA

(g) Contacts

Telephone: (254) 020-2157233
Fax: (254)057-2025127
E-mail: info@lvswda.go.ke
Website: www.lvswda.go.ke

(h) Bankers

(i).Kenya Commercial Bank Limited
Kisumu Branch
P O Box 17-40100
KISUMU, KENYA

ii. Co-operative Bank of Kenya
Kisumu Branch
P.O Box 157-40100
KISUMU

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

(i) Independent Auditors

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

KEY INFORMATION AND MANAGEMENT (Continued)



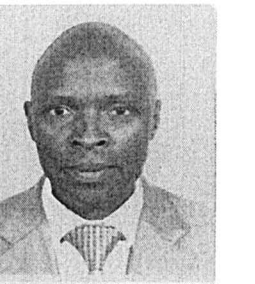
(j) Principal Legal Adviser

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




THE BOARD OF DIRECTORS

 <p>Mr. Dan Omino. OGW</p>	<p>Date of Birth: Born on 24TH December, 1959 Non- Executive Chairman of the Board PhD Student Kenyatta University Masters of Business Administration, Strategic Management (Maastricht) Bachelor of Science, Meteorology, University of Nairobi Diploma in Performance Management Certificate in Corporate Governance He is a Lead Consultant, Corplan covering areas of Strategy, Governance, Institutions Reforms and Performance Management. He is also a consultant for the Government of Kenya on Performance Contracting to the point of being awarded with an OGW by the President. Previously he was a Co-opted member/facilitator for State Corporation Advisory Committee (SCAC) providing advisory support to State Corporations in the Water, Irrigation and University Education sectors. He was Vice Chairman of Council of Maseno University and a Member of Council of University of Kabianga.</p>
 <p>Ms. Anne Michura</p>	<p>Date of Birth: 5th April 1968. Non-Executive Director. Ms Michura is the Chairperson of the Finance, Human Resource and Administration Committee and member of infrastructure and technical assistance committee. She is a PhD Student at Chuka University and also holds a Masters Degree in Zoology (Entomology) as well as Bachelor Degree in Education Science. She is a Lecturer and Researcher at Chuka University and director of Betem Farm Supplies. She is a consultant with Integrated Agro- Services Consultancy, Nakuru. She has also worked as a lecturer in Ayshire, Scotland, researcher and manager at Pyrethrum Board of Kenya.</p>
 <p>Ms. Rosemary Rop</p>	<p>Date of Birth; 23rd April 1967. Non-Executive Director. Ms. Rosemary Rop is the Chairperson of Strategy, Business Development and Mobilization and Committee of the Board. She holds Master of Arts in Anthropology, University of Nairobi, Bachelor of Arts in Anthropology and Political Science as well as Post Graduate Diploma in Organizational Leadership She has World Bank certifications on Operational Core Curriculum, World Bank training as Task Team Leader for lending operations and <i>World Bank Trust Fund Accreditation (TFLAP)</i> Certificate in Water and Electricity Regulation, Institute of Public Private Partnerships. Leadership training for Managers - June 2002 Dale Carnegie. Participatory Rural Appraisal Training of Trainers and Participatory Hygiene and Sanitation Transformation (PHAST) Trainer of Trainers. She is Session Lead / Lecturer, Course on Water and Sanitation in Low income Communities, Milken School of Public Health, George</p>

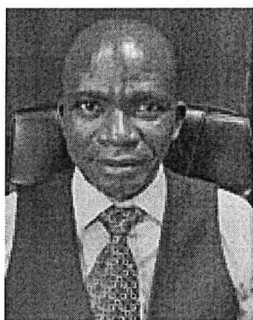
Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

	<p>Washington University, Director, Board of Ernestea Ltd, Water and Social Development Consultant World Bank, Water and Gender Consultant, Caribbean Development Bank, Water and Sanitation Specialist World Bank Group, Water and Sanitation Specialist World Bank Group, Program Director NGO, <i>Maji na Ufanisi</i> (Water and Development), Founding Team Leader, Sustainable Aid in Africa (SANA) International and Kenya Environmental Sanitation Advisor BKH Consulting Engineers.</p>
 <p>Mr. Victor O. Omanwa</p>	<p>Date of Birth: 1st November 1978. Non-Executive Director. Mr. Victor O Omanwa holds a Diploma in Project Management. He is an entrepreneur dealing in Supply of Petrol, Matatu Business and management of real estates as well as Director Sylvo International Construction Company Ltd.</p>
 <p>Ms. Joyce K. Mongare</p>	<p>Date of Birth: 25th February, 1968 Non-Executive Director and a member of finance, human resources and administration committee. Master of Arts: Gender & Development Studies. Ms. Joyce K. Mongare holds Bachelor's Degree in Social Sciences, Higher Diploma in Psychology Counseling and Certificate in Computer Operations. She is also a NEC Member standing committee of programmes: Kenya Red Cross Society. Previously She was Chairperson KRCS parklands branch, Lecturer: Gender & development studies Egerton University, Trainer of Trainers (TOT): Jubilee party and County Coordinator: TNA Nyamira County.</p>
 <p>Mr Alex Ouda Otieno</p>	<p>Date of Birth: 24th December 1958. Non-Executive Director and member of Risk and Audit as well as Infrastructure and Technical Assistance committees. Mr Alex Ouda Otieno holds Bachelor of Business Administration (procurement and supply chain management), Diploma in purchasing and supply and Certificate in Purchasing and Supply, Previously he was a Member of County Assembly (MCA) Mugumoini ward Langata Constituency, Nairobi City County. - Councilor Mugumoini ward Nairobi City County, - Internal Auditor(supply chain and logistic) Kenya Power and Lighting Company, - Stock controller Ministry of Public Works, Chief Mechanical and Transport Engineer.</p>
	<p>Date of Birth: 10th November 1969. Non – Executive Director representing Inspectorate of State Corporation. Mr. Chrisologus Makokha has a PhD in Strategic Management, MBA (Strategic Management) and Bachelor of Science in Statistics Currently he is Senior Deputy Inspector-General (Corporations). Previous he was an Economist/Statistician, in the Ministry of Finance and Planning for 8 years, Inspector of State Corporations at the</p>

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

Mr. Chrisologus Makokha	Inspectorate of State Corporations and Executive Office of the President for 15 years
 <p>Mr. Joseph M. Mbatha Key Profession:</p>	<p>Date of Birth 29th September 1971. Non-Executive Director, representing the Cabinet Secretary National Treasury. He holds Master of Business Administration and Bachelor of Commerce. Currently he is Deputy Director, Intergovernmental Fiscal Relations Department. Previously he was Director of Administration, County Government of Machakos, Town Clerk, Town Council of Kangundo, Town Clerk, Town Council of Rumuruti, Town Clerk, Municipal Council of Homa Bay, County Treasurer, County Council of Meru Central, Town Treasurer, Municipal Council of Machakos, County Treasurer, County Council of Bungoma and County Treasurer, County Council of Isiolo, Ministry of Local Government.</p>
 <p>Mr. Silas Mutia Key Profession:</p>	<p>Born on 22nd November 1961. Alternate Director to the Principal Secretary, Ministry of Water, Sanitation and Irrigation. Mr. Silas Mutia Mnyiri holds Masters of Science Degree in Water and Environmental Resource Management, Bachelor of Science in Mathematics, Physics and Chemistry, Certificate on Strategic Leadership Development Programme, Certificate on Capacity Building for Monitoring Water Quality in African Rivers and Lakes, as well as Certificate on Water Footprint and Virtual Water Capacity Building Training. He is the Deputy Director of Trans-boundary Water Resources in the Ministry of Water Sanitation and Irrigation. - Head of the Trans-boundary Water Quality, Pollution Control, Water Quality Surveillance and the Trans-boundary Environmental Quality - Representative of the Ministry of Water and Sanitation as Trans-boundary Water Policy Task Force Member in the Nile Basin Initiative.</p>
 <p>Eng. George Odedeh</p>	<p>Eng. George Odedeh is the Acting Chief Executive Officer. He holds Master of Business Administration (Strategic Management). Bachelor of Science in Civil Engineering. Strategic Leadership Development Programme Executive Master in Business Administration, Irrigation Engineering, Registered Engineer, Engineers Board of Kenya Corporate Member Institute of Engineers of Kenya Full Member Kenya Institute of Management.</p>

MANAGEMENT TEAM

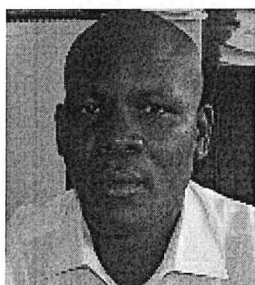


Eng. George Odedeh

Eng. George Odedeh is the Acting Chief Executive Officer. As the CEO he:

- Provide strategic direction and leadership in line with the Agency's Strategic Plan;
- Oversee implementation of corporate business plan and strategies based on the Corporation's business philosophy, mission, vision and core values;
- Undertake prudent financial management and investment mandates by ensuring sound policies and practices are adopted for optimal utilization and returns;
- Oversee optimal and effective operations of the Corporation's water infrastructure;
- Develop and engage effective leadership teams to ensure excellent performance and effective succession planning at the Corporation;
- Develop and strengthen networks and partnerships with the government, development partners and private sector to spearhead fundraising for project implementation and sustainability; and
- Foster a conducive corporate culture that promotes strong ethical practices, good governance, employee productivity and compliance with applicable legal and regulatory requirements as stipulated in Mwongozo.

Any other responsibility as may be necessary to achieve the Corporation's objectives.



Eng. Daniel. O. Oronje

Eng. Daniel Oronje is the Acting Chief Manager Technical Services & He is the Manager Rural Water and Sanitation.

As the Acting Chief Manager Technical Services, he is responsible for the technical services and administration of all technical contracts, monitoring of agreements and enforcement of service provision standards within the Agency's jurisdiction. You will also be responsible for:-

- Coordinating all technical aspects related to Planning, design and implementation of Water and Sanitation services.
- Ensuring design, construction and maintenance standards are adhered to and maintained.
- Coordination of strategic and business plan for development of Infrastructure.
- Design and development of appropriate and cost effective models for water appropriation, storage purification and distribution.
- Development of strategies to reduce unaccounted for water (UFW), to achieve desired operational efficiency and improvement
- Promoting, developing and contracting sustainable and viable water service providers in urban and rural schemes.

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

	<ul style="list-style-type: none"> • Ensure effective supervision and monitoring of urban and rural water service providers • Preparing, executing and enforcing compliance to water and sanitation service agreements. • Preparation of the statutory and other reports required by Government or development partners.
 <p>Mr Sammy K. Kigen</p>	<p>Mr Sammy K. Kigen is the Chief Manager Human Resources and Administration.</p> <ul style="list-style-type: none"> • Planning for Human Resource training and development need. • Co-coordinating training programmes and staff capacity building for WSPs under the Board's supervision • Administer staff wages and benefits • Management of employee recruitment, induction and placement • Management of staff performance, staff appraisal system and staff discipline. • Manpower policy and planning. • Management of employee welfare issues and industrial relations • Manage transport, security and office services • Preparation of Human Resource management reports • Development of work plans and performance targets in liaison with the head of department. <p>Liaising with other divisions to ensure smooth coordination with inter-departmental functions.</p>
 <p>CPA John Francis Adongo</p>	<p>CPA John Francis Adongo is the Chief Manager Finance. As the Chief Manager Finance he is be responsible for:-</p> <ul style="list-style-type: none"> • Formulation and implementation of sound financial policies, strategies and systems. • Ensuring adequate controls that support the financial operational efficiency and compliance. • Manage financial resources effectively and efficiently through the development of activity based budgets and implementation of strict budgetary control measures. • Analysing the financial reports and advising Management on appropriate performance improvement strategies. • Work with different departments in evaluating the budget and ensuring that budgetary provisions are adhered to. • Managing all the internal and external financial reporting, budgeting and forecasting requirements. <p>Overseeing the production of timely and accurate monthly, quarterly and annual financial management accounts and other reports.</p>
	<p>Ms. Miriam Siwa is the Chief Manager Corporate Planning. As Chief Manager Corporate Planning, she performs the following duties:</p> <ul style="list-style-type: none"> • Managing the overall business planning of the Board.

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020



Ms. Miriam C. Siwa

- Providing strategic thinking and forward planning/forecasting
- Co-ordination of Board strategic planning.
- Monitoring and preparing reports on performance contracts.
- Carrying out feasibility study and determining of viability of projects
- Preparation of planning reports
- Carrying out project planning, appraisal, evaluation and monitoring
- Carrying out research and development activities
- Carrying out overall institutional performance, monitoring and evaluation

Assist in preparing periodic reviews of programme implementation and updating of performance indicators, short- and long-term planning.

CHAIRMAN'S STATEMENT

I am pleased to present Lake Victoria South Water Works Development Agency Financial Report for the year ended 30th June 2020. The Agency is among the 8 Water Works Development Agencies established under the Water Act 2016. The Agency is responsible for development of water and sewerage infrastructure within our area of jurisdiction which covers an area of 21,720 Sq. Km, and covers Kisumu, Siaya, Migori, Homa Bay, Bomet, Kericho, Nyamira, Kisii and parts of Nandi and Narok Counties.

During the last one year we have realised tremendous progress in development of water and sanitation infrastructure, institutional structures and human resource capital.

We support the devolution of water service provision to the County Governments and champion strategic partnerships and collaboration towards economic empowerment and better health of citizens. The Board is committed to improving service provision in all areas in our jurisdiction through development of new water and sanitation projects.

During the year under review, the Board made remarkable gains in developing water supply and sanitation infrastructure and these achievements are attributed to the financial and technical support made by our Government and development partners. These development partners include AFD, AfDB, KFW, WSTF, KOICA, Kenya Italy (KIDDP), ORIO and World-Bank. We owe our development partners and the Government of Kenya gratitude for their continued support.

The Agency has also continued on its commitment to quality services provision, adherence to Quality management systems. We look forward to a continued progress in the development of water and sanitation infrastructures including successful commissioning of completed and projects and launching new ones within our area of jurisdiction in the years ahead.

I am confident that in the coming years we will strengthen our collaborations with various stake holders and source for adequate funding and timely support.

I wish to thank my Board of Directors for their continued cooperation and support which has enabled the Lake Victoria South Water Service Board to move forward in the right direction; the Management and the entire staff for their dedication and hard work without which this exemplary performance might not have been achieved. I also wish to acknowledge the significant contributions we received from all our stakeholders which led to implementation of our activities successfully during the financial year. I call upon the stake holders to uphold their support to facilitate expansion of access to adequate, quality and affordable water and sanitation services within our area of service.



MR DAN OMINO, OGW
CHAIRMAN

REPORT OF THE CHIEF EXECUTIVE OFFICER

I am pleased to look back on a full year of water and sanitation infrastructure development for the provision of water and sanitation services in our area of jurisdiction. The new strategic plan which was recently completed has embedded the Big Four Development Agenda of the Government which provides the Board with renewed focus and a solid foundation.

Our strategic vision has moved from being the most efficient and effective water services Board in Kenya to sustainable water and sanitation infrastructure for all making the organization customer focused.

Through the support of the Ministry of Water and Sanitation and development partners (ADB, KFW, AFD, EIB, RVO etc.) a successful year was realized. Key achievements made during the year include completion of Keroka – Isebania water supply and sanitation project, rehabilitation of water supply systems in the four towns of Kisii, Nyamira, Sotik and Kericho(water sector Development project) expanding of water supply systems in Kisii and Nyamira; career development of interns and institutional capacity building. The Board also strengthened the capacity of Water Services Providers through provision of mobile workshops, vehicles, motorcycles, exhausters and water meters. In the same financial year the National government provided budgetary allocation to support drilling and equipping of several boreholes and construction of small water supplies. This has greatly improved service provision by providing affordable water.

The Agency continues to apply various innovative ways in technical assistance and capacity building of our institution and stakeholders. We have launched technical improvements such as solar driven pumping water schemes for rural communities' thus ensuring sustainability of the water services. I commend the County Governments and Water Service Providers in our region for their collaboration and support which has enabled seamless development and implementation of infrastructure.

The financial statements for the year ending 30th June 2020 highlights the Agency's continued growth in operations and financial performance. The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and in the manner required by the Public Finance Management Act which requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The Key drivers of our expenditure were capital intensive construction of water and sanitation infrastructure projects.

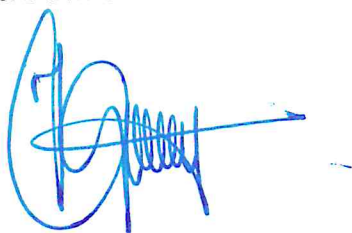
With the new strategic plan complemented with internal quality systems, the board has set a stronger foundation for its current and future development. The Board continues

to implement performance contracting resulting in a rating of very good performance during the year.

During the financial year 2019/2020 the Agency undertook Corporate Social Responsibility activities which include supplying some schools with water storage tanks to harvest rain water. The Agency also empowered communities through awareness campaigns and public consultation aimed at enhancing community participation in development programs. Through competitive bidding for works, goods and services the Youth, Women and People with Disabilities also contributed to the success of the institution through implementation of projects and provision of goods and services.

On the overall the Agency performed well as it achieved its development objectives and met targets during the year despite institutional and economic challenges experienced. We therefore look forward for continued and strengthened partnership with development partners and stakeholders in our service delivery.

I feel incredibly proud of Lake Victoria South Water Works Development Agency and our achievements. I am particularly impressed by the Agency's leadership, good customer service culture and the dedication of its staff in infrastructure development which assures great achievements now and in the future. My sincere thanks goes to the parent Ministry of Water, Sanitation and Irrigation, National Treasury, Development partners, water sector institutions, water service providers, county Governments and other stakeholders for their immense support , without which we could not have made these achievements.



ENG. GEORGE ODEDEH
Ag. CHIEF EXECUTIVE OFFICER

REVIEW OF LAKE VICTORIA SOUTH WATER WORKS DEVELOPMENT AGENCY'S PERFORMANCE FOR FY 2019/2020

Lake Victoria South Water Works Development Agency (LVSWWDA) has 5 No. Strategic pillars and objectives within its Strategic Plan for the FY 2018/2019-2022/2023. These strategic pillars are as follows:

- Pillar 1: Water works development
- Pillar 2: Sanitation works development
- Pillar 3: Resource Mobilization
- Pillar 4: Institutional capacity
- Pillar 5: Technical assistance and capacity building

Lake Victoria South Water Works Development Agency develops its annual work plans based on the above five pillars. Assessment of the Agency's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2019/2020 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Water works development	Increase water services coverage from 53% to 80% by 2022.	No.	Develop and expand water supply production and distribution networks in 8no. Counties.	Developed and expanded the following water projects: <ul style="list-style-type: none"> - Kisii -Nyamira Water Supply Project 50% - Homa Bay Water Supply Improvement project implemented to 40% progress - Kisumu Water supply LVWATSAN project implemented to 20% progress - Water Sector Development Program (Kericho) to 10% progress - Kendu Bay-Oyugis Water Supply and Sanitation Project to 20% progress - Ugunja Segu-Ukwala Water Supply and Sanitation Project to 20% progress
			Rehabilitate/augment/repair existing water supply schemes in each of the 8no.	- Implemented Siaya-Bondo, Keroka Town, Migori and Isebania

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

			Counties to improve access to water supply.	Town last miles connection project (ADB) <ul style="list-style-type: none"> - Implemented Water Sector Development Program (Kisii Rehabilitation works)
			Develop and augment water supply infrastructure in learning institutions in each of the 8 counties.	Developed 11No. boreholes in learning institutions namely: <ul style="list-style-type: none"> - Raduodi Primary school - Riamosorori Youth Group - Nyankono Pri. School - Kiromwok Secondary school - Pedo Primary - Moi Gesusu High School - Kapkisiara Girls High school - St Elizabeth Ulaga School - Ngege Primary School - Mur Malanga Primary School - Mbani Primary School
Pillar 2: Sanitation works development	Increase sanitation coverage from 17% to 43% by 2022.	No.	Rehabilitate/Repair, augment and develop new sanitation systems to improve access to sanitation in each of the counties.	<ul style="list-style-type: none"> - Expanded Suneka treatment plant under water sector development - Expanded Kericho waste water treatment plant in under LVWATSAN Phase II
			Promote School WASH Programs	<ul style="list-style-type: none"> - Built 5No. ablution blocks in learning institutions in Kisii - Built 4No. ablution blocks in learning institutions in Nyamira under water sector development
Pillar 3: Resource Mobilization	Enhance financial strength by realizing annual revenue of Kshs. 9 Billion.	No.	Develop proposals and concept Papers	<ul style="list-style-type: none"> - Developed 5No concept notes for project funding
			Develop, implement and review a debt recovery and loan repayment plan	<ul style="list-style-type: none"> - Formed a committee on debt and loan recovery - Payment plan signed by the water service

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

				providers on loan repayment
Pillar 4: Institutional capacity	Strengthen Institutional Capacity by 20% by 2022.	No.	Enhance Corporate Image	<ul style="list-style-type: none"> - Branded projects - Rebranded office - Improved and created an interactive website - Reviewed service charter
			Enhance Human Capacity	<ul style="list-style-type: none"> - Trained 20No staff in different field of their profession - Developed individual performance contracts for the staff and signed
			Enhance Level of Legitimacy	<ul style="list-style-type: none"> - Developed Strategic Plan 2019-2022 - Prepared, signed and implemented annual GOK performance contracts
Pillar 5: Technical assistance and capacity building	Strengthen 8 Number Water Service Providers and respective Water Departments of the 8 County governments by 2022.	No.	Support WSPs and Water Departments of CGs	<ul style="list-style-type: none"> - Provided performance enhancement tools and equipment to WSPs offered capacity training and technical assistance to 7No. Water Service Providers
			Promote Innovations and Appropriate Technologies in Water Supply and Sanitation	<ul style="list-style-type: none"> - Promoted the use of alternative sources of energy such as solar in borehole projects - Supplied Homa Bay water company with smart-meters for water management

CORPORATE GOVERNANCE STATEMENT

The Lake Victoria South Water Works Development Agency is committed to the values and principles of good corporate governance. The Board of Directors and Management regard corporate governance as pivotal to the success and are committed to ensuring that the Agency adheres to the highest standards of conduct and accountability in accordance with the best practice and principles of corporate governance. These principles are applied throughout all levels of the Organization.

The Role of the Board of Directors

The Board of Directors provides leadership through oversight, review and guidance whilst setting the strategic direction for the organization. It is the primary decision-making body for all matters considered as material to the Authority. The Board has a formal schedule of matters reserved for it. The Directors receive appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational, compliance and governance matters. Ultimately, the Board determines the organization's strategic objectives, values, key policies and procedures in accordance with best practice. The Board has delegated the authority for day-to-day management of the organization to the Chief Executive Officer. However, it maintains overall responsibility for the Authority's performance, compliance functions as well as monitoring of its operations and ensuring competent management of the business.

Composition of the Board of Directors

The Board of Directors comprised of nine (9) members; the Chairman who is a non-executive director, and five non-executive directors and three directors from government representing the Principal Secretary for Ministry of Water and Sanitation, the National Treasury and Inspectorate of state corporation. The Chief Executive Officer is the Secretary to the Board and its committees. The Board has an appropriate balance of skills, knowledge and experience to perform its role effectively. All directors are subject to periodic re-appointment in accordance with the State Corporations Act, the Office of the President and the Ministry of Water and Irrigation.

Induction and on-going development

On appointment, the directors receive induction training covering the organization's programme and operations and an appreciation of the key risk areas. The programme includes specific sessions with the management across the units for clarity and better understanding of the organizations' functions, roles and accountabilities, business model and operations.

The directors are advised of the legal, regulatory and other obligations of a director of a State Corporation. The directors also receive both internal and external training on corporate governance. The Board annually undertakes an evaluation of its effectiveness.

Board Committees

In line with guidelines issued by the Government, the board has delegated its authority to committees to deal with specific aspects of its responsibilities. These committees have specific terms of reference and reports to the full Board meeting. LVSWSB has the following Board committees: -

- i. Water and Sanitation Committee
- ii. Governance and Resource Mobilization Committee
- iii. Audit and Risk Assurance Committee

Meetings of the Board

The Board of Directors met at least four times during the year. The Board committees also met at least every quarter in the year.

Organization Structure

The Agency has a clearly defined organization structure within which individual responsibilities are identified in relation to internal financial controls. The structure is complimented by policies and management operates the business in compliance with these policies. There is a clear division of responsibilities between the Board and Management.

Management Team

The Chief Executive Officer leads the Management team which comprises heads of department and other senior staff. The team deals with operation matters and coordinates activities across the board, various departments/divisions, water schemes and water services providers.

MANAGEMENT DISCUSSION AND ANALYSIS

Operational and Financial Performance

The Agency continued to execute its mandate of providing water sewerage and sanitation infrastructure through various programmes including Kenya Towns programme through Agency arrangements with Rift Valley Water Works Development Agency. Other programmes like Water Sector Development Program, water harvesting program, water for schools, water conservation and cross county projects. On completion 5% approximately 400,000 people will be brought under water coverage and 0.3% coverage sanitation.

In the financial year under review, the Agency received exchequer grants amounting to Kshs 883,700,000. The expenditure for the quarter amounted to Kshs 491,880,461 resulting in a positive difference of kshs 403,655,629.

Key projects or investments decision

In the period under review the Board undertook several water and sanitation projects:

- Water and Sanitation Sector Development Programs in Kericho, Kisii, Nyamira and Litein Towns financed by KFW and GoK where expansion works of water supply and sanitation infrastructure. During the quarter Kisii and Nyamira works were substantially complete and taking over certificate issued. Due to delays experienced in the project, the contractor submitted a claim which is being evaluated by the consultant. Kericho expansion works moved from 7% to 10% during the quarter. However the project is behind schedule due to delays in processing tax exemption. The program will benefit 661,011 people. Rehabilitation of the sewerage works in Kericho is at 98% work progress while Keroka and Isebania towns were completed during the quarter. These works were financed by GoK and ADB under the project Lake Victoria Water and Sanitation Program Phase II.
- The Agency is implementing several Water boreholes were drilled and equipping which are on-going under Water Harvesting Program.
- Kisumu LVWATSAN Project commenced with all the Consultancies procured and on progress. The works packages have stated with the procurement process and it will be commencing works during the year.
- Homa Bay Cluster Water Supply Improvement Project progressed with drilling of 2 boreholes and preparation of detailed design. Kenya Towns Water Supply and Sanitation Sustainable water supply and trilateral development Program for HomaBay - Kericho Towns.
- The Board implemented several projects under new programmes financed by GOK under Water for Schools and Small Dams and Boreholes and Drought Mitigation Program.

Entity's compliance with statutory requirements,

The Agency complied with all legal provisions of the Acts which affects its operations for example the provisions of Public Finance Management Act, 2012, State Corporations Act, Tax laws among others. Court cases, Environmental and Social Impact Assessment reports are complied with while all contractors are NCA registered. PAYE, NHIF, NSSF are up to date in terms of remittance and compliance.

Major risks facing the organisation,

The Agency is faced with the following risks;

1. Delay in approval of tax exemption certificates and the master lists which affects project completion period.
2. Pending bills due to limited budgetary allocations which affects the leverage level of the institution.
3. Unpredictable exchequer releases which creates credit risk.
4. Inability to repay on lent loans due to lack of legal structure to enforce collection from the water service providers.

Material arrears in statutory and other financial obligations,

During the quarter under review, the Agency ensured that all the statutory deductions did not accrue to arrears. This is a financial obligation that was experienced due to limited counterpart budget allocation which were not enough to pay counterpart payments on Donor projects that the Agency was implementing during the period review.

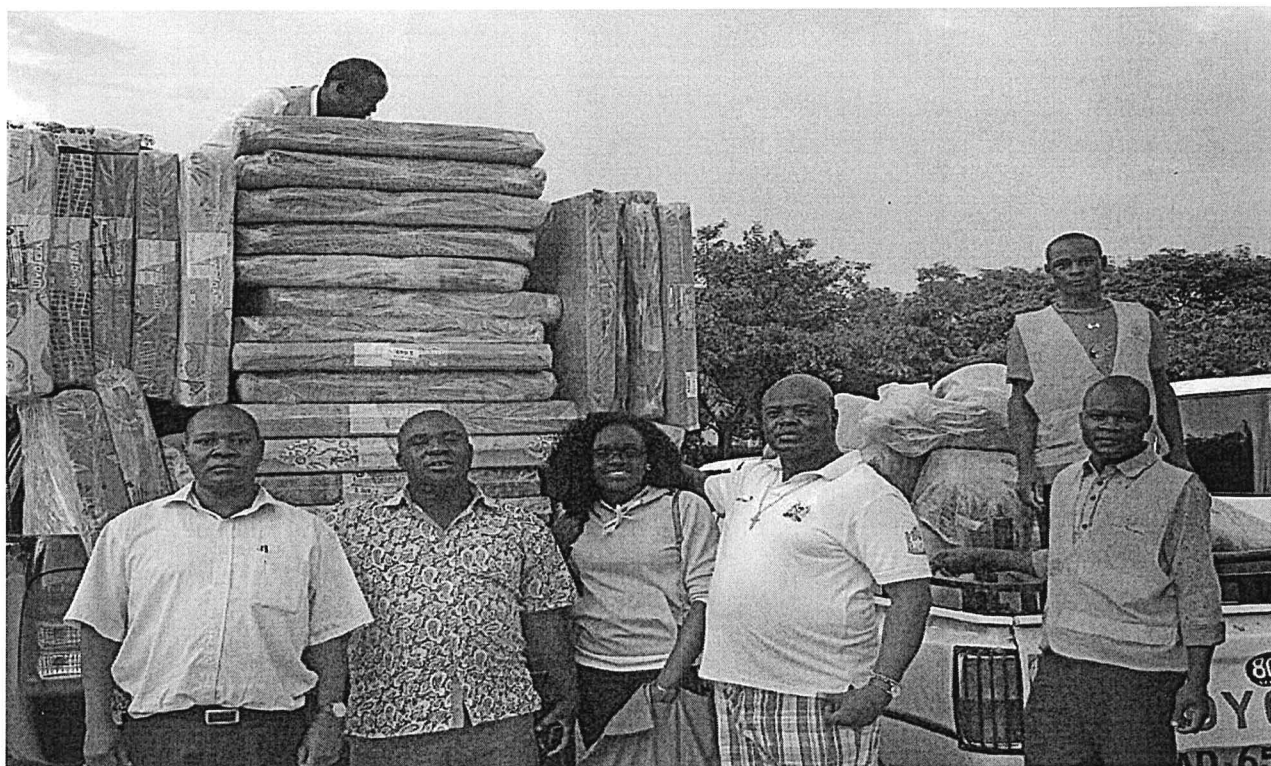
CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Corporate Social Responsibility (CSR) is very vital to Lake Victoria South Water Works Development Agency (LVSWWDA). The Agency has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities to the communities in its area of jurisdiction, such that it positively affects the society socially, ethically and also environmentally.

1. Support for flood victims within LVSWWDA area of jurisdiction

During the FY 2019/2020, the Agency conducted CSR by supporting the affected families/people of Nyando and Nyakach sub-counties in Kisumu County. The following items were issued;

No.	Description	Quantity
1.	Blankets	210 pcs (30 pcs for each area)
2.	Mosquito nets	210 pcs (30 pcs for each area)
3.	Mattresses	4 by 6 light duty 70 pcs(10 for each area)
4.	Baby Porridge	20 pieces of 1kg per bale 21 bales (3 for each area)
5.	Sanitary pads	192Pieces
6.	Maize flour	120Pcs 2Kgs
7.	Sugar	210 pcs 500gms
8.	Milk	168 pcs
9.	Water guard/ Aqua-tab	192Pcs



A team from LVSWWDA delivering assorted items to assist displaced floods victims in Nyando and Nyakach Sub Counties

2. Donation of Plastic Water tanks to fight Covid -19

Lake Victoria South Water Works Development Agency undertook various activities towards combating COVID-19 with the respective County Governments and the Managing Directors of all the Water Services Providers within their respective areas. The Agency collaborated with County Governments and WSPs within its area of jurisdiction to install hand washing stations and storage water tanks in areas not connected to piped water. In total, the Agency managed to supply 84No. Storage water tanks of 10,000L capacity, 6No. 5,000L capacity and 230No. of 230L capacity hand washing tanks to counties within its area of jurisdiction.

In addition, the Agency also distributed 76 Cartons of 240 satchets each P&G water purification powder and 14 Cartons of 1,600 satchets each of chlorine tablets received from Ministry of Water, Sanitation and Irrigation.

COUNTY	CAPACITY 10,000L	CAPACITY 5,000L	CAPACITY 230L
Bomet	11	1	25
Homa Bay	11	1	18
Kericho	10	0	19
Kisii	5	5	40
Kisumu	10	0	58

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

Migori	11	1	58
Nyamira	10	1	23
Siaya	11	1	19
Total	84	6	230

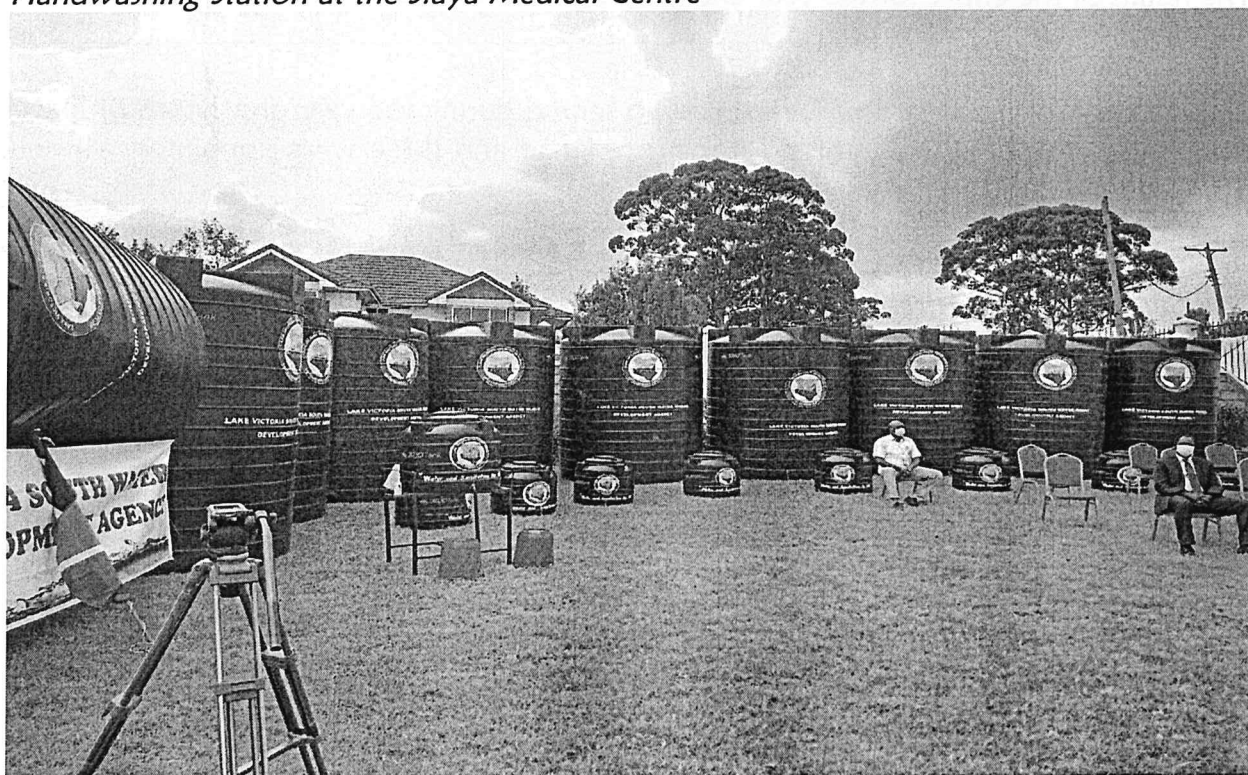


LVSWWDA Chairman Dan Omino, OGW issues a total of 10No. Water storage tanks of 10,000Litres capacity and 9No. hand washing stations of 230Litres capacity to the Governor, County Government of Bomet HE. Dr. Hillary Barchok to help in the fight against COVID-19.

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020



Handwashing Station at the Siaya Medical Centre



REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Agency's affairs.

Principal activities

The principal activities of the entity are;

- i). Undertake the development, maintenance, and management of national public water works within our area of jurisdiction,
- ii). Own and manage water related assets developed through loans and handover to county authorities after repayments of development loans,
- iii). Collaboration with all stakeholders both within and outside water sector to mobilize finances and provide related social infrastructure,
- iv). Provide technical assistance and capacity building to county governments, water service providers and other institutions,
- v). Provide the Cabinet secretary in charge of water with technical assistance in the discharge of his/her functions.
- vi). Provide reserve capacity for purposes of providing water services where need arises.

Results

The results of the entity for the year ended June 30, 2020 are set out on page 1 to 6

Directors

The members of the Board of Directors who served during the year are shown on page vi. During the year 2019/2020 three Directors resigned and three were appointed with effect from 2nd June 2020.

Auditors

The Auditor General is responsible for the statutory audit of the Agency in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Agency for the year/period ended June 30, 2020 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


ENG. GEORGE ODEH
Ag. CHIEF EXECUTIVE OFFICER

Date.....14/04/2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statement, which give a true and fair view of the state of affairs of the Agency at the end of the financial year ending 30th June 2020 and the operating results of the Agency for the period. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year ended on June 30, 2020. This responsibility includes:

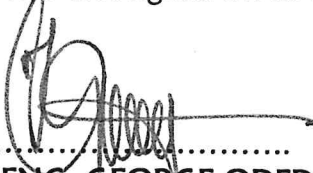
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency;
- (iii) Designing, implementing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

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) accrual basis, and in the manner required by the PFM Act, 2012 and section 14 of the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2020, and of the Agency's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

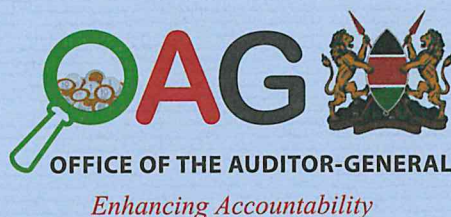
The Agency's financial statements were approved by the Board on 14th day of September 2020 and signed on its behalf by:


.....
ENG. GEORGE ODEDEH
Ag. CHIEF EXECUTIVE OFFICER


.....
MR. DAN OMINO, OGW
CHAIRMAN

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON LAKE VICTORIA SOUTH WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Lake Victoria South Water Works Development Agency set out on pages 1 to 44, which comprise of the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the Lake Victoria South Water Works Development Agency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Water Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Comparative Balances

Review of the financial statements revealed the following anomalies.

- i) The comparative balances reflected in the financial statements were at variance with previous year's certified financial statements as indicated below:

Item	Financial Statements 30 June, 2020 (Kshs)	Financial Statements 30 June, 2019 (Kshs)	Variance (Kshs)
Water Supplies Development Cost	91,881,469	91,879,450	2,019
Donor Grants	2,089,136,210	2,089,134,191	2,019
Revenue Reserve	97,702,995	97,700,975	2,020
Proceeds from Donor Grants (Cashflows)	119,715,710	119,713,691	2,019
Net (decrease)/increase in cash and cash equivalents	14,873,795	14,871,777	2,018
Water Projects Pans & Dams (Note 14)	0	39,446,634	(39,446,634)
Sibo Water and Sanitation Co. Ltd (Note 23)	35,783,930	35,833,930	50,000
Tililbei Water and Sanitation Co. Ltd (Note 23)	0	24,031,036	(24,031,036)
Mikutra Water and Sanitation Co. (Note 23)	7,519,657	7,579,656	(59,999)
Bomet Water Company (Note 23)	8,441,049	8,776,115	(335,066)
Net Receivables from Exchange Transaction	213,238,812	229,895,467	(16,656,655)
Payment for goods and services for contracted Services (Note 31)	0	3,993,886	(3,993,886)
Total	2,678,293,627	2,762,856,802	

- ii) As disclosed in Note 14 to the financial statements, the statement of financial performance reflects water supplies development cost of Kshs.169,450,684. However, review of the ledger reflected a balance of Kshs.178,865,553 resulting to an unreconciled variance of Kshs.9,414,869. Further, the balance includes other GOK projects expenses amounting to Kshs.21,223,332 out of which payment vouchers amounting to Kshs.7,642, were not provided.
- iii) The statement of financial position reflects long term loans balance of Kshs.7,130,667,577. However, recasting of the items under the component reflected in Note 25 amounts to Kshs.7,130,467,551 resulting to an unreconciled variance of Kshs.200,026.
- iv) As disclosed in Note 29 to the financial statements, the statement of financial position reflects revenue reserve balance of Kshs.141,216,345. However, recasting of the individual item reflected in Note 29 amounted to Kshs.43,591,286 resulting to an unreconciled variance of Kshs.97,625,059.

- v) Analysis of the statement of comparison of budget and actual amounts revealed that the Agency budgeted for revenue amounting to Kshs.647,700,000 but received an amount of Kshs.301,702,734 resulting to performance difference of Kshs.345,979,266. However, the performance difference balance disclosed is an amount of Kshs.280,519,366 resulting to an unexplained variance of Kshs.65,459,900.

Consequently, the accuracy and completeness the financial statements for the year ended 30 June, 2020 could not be confirmed.

2. Understatement of Deferred Income

As disclosed in Note 7 to the financial statements, the statement of financial performance reflects deferred income transfer balance of Kshs.169,450,684. Review of records reflected an amount of Kshs.333,950,000. Policy on deferred income was not provided and therefore, the conditions to transfer the amount to income could not be ascertained.

Consequently, the accuracy and completeness of deferred income totalling to Kshs.169,450,684 could not be confirmed.

3. Unsupported Procurement of Fuel

As disclosed in Note 12 to the financial statements, the statement of financial performance reflects transport costs amounting to Kshs.9,693,249. The balance includes expenditure on motor vehicle fuel paid to an oil firm amounting to Kshs.4,270,000 for supply of fuel through card system. However, the Management did not provide for audit review a signed contract between the vendor company and the Corporation outlining the terms and conditions applicable.

Consequently, the accuracy and completeness of motor vehicle fuel amounting to Kshs.4,270,000 for the year ended 30 June, 2020 could not be confirmed.

4. Administrative and Establishment Expenses

As disclosed in Note 13 to the financial statements, the statement of financial performance reflects administrative and establishment expenses amounting to Kshs.38,109,748. The balance includes conferences and shows expenses balance of Kshs.1,866,136. However, the supporting schedule reflected an amount of Kshs.1,064,676 resulting to an unexplained variance of Kshs.801,460.

Further, examination of records showed that the two contractors who were given quotations were not among the prequalified suppliers. This is contrary to Section 105 (a) of the Public Procurement and Asset Disposals Act, 2015 which requires a procuring entity to use a request for quotations from the register of suppliers.

Consequently, the accuracy and validity of conferences and shows expenses balance of Kshs.1,866,136 for the year ended 30 June, 2020 could not be confirmed.

5. Unsupported Inventory

As disclosed in Note 21 to the financial statements, the statement of financial position reflects inventory balance of Kshs.4,425,063. However, Management did not provide inventories bin cards, detailed analysis and valuation of the inventory.

Consequently, the accuracy, validity and completeness of inventory amounting to Kshs. 4,425,063 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

6. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.331,110,087 which as disclosed in Note 22 to the financial statements includes seven (7) bank accounts totalling to Kshs.23,470,705 whose bank reconciliation statements were not provided. The balance also includes retention bank account held at a commercial bank with a balance of Kshs.16,554,209 whose source was not explained.

Further, the Agency had four (4) bank accounts with a total balance of Kshs.226,015 which have been dormant for over two years and two other banks accounts with nil balance and no transactions during the year.

Consequently, the accuracy of the cash and cash equivalents balance of Kshs.331,110,087 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

7. Receivables from Exchange Transactions

As disclosed in Note 23 to the financial statements, the statement of financial position reflects receivables from exchange transactions totalling to Kshs.203,712,870. The balance includes receivables from Kisumu, Sibbo and Bomet Water Companies of Kshs.38,438,707, Kshs.34,716,613 and Kshs.8,376,115 respectively, all totalling to Kshs.81,531,435. A comparison of the balances reflected in the respective Companies' financial statements reflected balances on accounts payables to the Agency of Kshs.36,100,538, Kshs.35,783,930 and Kshs.8,241,945 respectively. The various sets of records have not been reconciled. Further, the supporting schedules for the receivables reflected different amounts totalling to Kshs.80,126,417 resulting to an unreconciled variance of Kshs.1,405,018.

In addition, included in Note 23 are comparative balances of Kshs. 4,632,698 and Kshs. 3,186,748 in respect to two service providers, Nyanas and Gulf Water Companies respectively, which were not in the 2018/2019 audited financial statements.

Consequently, the accuracy and completeness of receivables from exchange transactions balance of Kshs.203,712,870 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

8. Unsupported Property, Plant and Equipment

As disclosed in Note 19 to the financial statements, the statement of financial position reflects property, plant and equipment balance of Kshs.14,600,073,370. The balance includes computer software whose historical value was Kshs.22,112,540 and which has been fully depreciated/ impaired as at 30 June, 2020 but the software was still in use.

Further, the balance includes work-in-progress amounting to Kshs.12,462,862,682 which was not supported with description of the asset, the location, date the project commenced and the status of completion. Management did not provide a fixed asset register.

In addition, Note 20 to the financial statements reflects additional assets valued at Kshs.1,267,900,695. However, the respective supporting schedules, ledgers and procurement documents were not provided for audit review. The balance includes water supply infrastructure as work-in-progress totalling to Kshs.1,266,003,693. The balance includes pending bill balance of Kshs.34,001,529 out of which a company was paid an amount of Kshs.10,906,747 for construction of sewerage system, Nyalenda ponds and pumping system. However, review of payments revealed that tax refund claims amounting to Kshs.5,995,455 were not supported with original documents while the balance of Kshs.4,911,292 was not supported with a certificate indicating the quantified works paid for.

Consequently, the accuracy and completeness of property, plant and equipment balance of Kshs.14,600,073,370 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

9. Unsupported Counterpart Funding Liabilities

As disclosed in Note 24 of the financial statements, the statement of financial position reflects payables from exchange transactions balance of Kshs.490,734,479 which includes counterpart funding liabilities balance of Kshs.443,711,014. However, the Management did not provide supporting records for the liabilities.

Under the circumstance, the validity and completeness of the accounts payables from exchange transactions balance of Kshs.443,711,014 as at 30 June, 2020 could not be confirmed.

10. Non-Disclosure of Interest on Long Term Loans

The Agency has not recognized interests on loans received as per the loans' Agreements and terms as indicated in the schedules availed for audit as shown below:

Donor	Terms	Approved Amount
Agence Francaise de Developpement, AFD	Loan Agreement of 17 March, 2010	Euros 4,800,000
Agence Francaise de Developpement, AFD	Loan Agreement of 16 November, 2011	Euros 14,000,000
African Development Bank, AfDB	Loan Agreement of 26 November, 2007	Euros 17,141,440
African Development Bank, AfDB	Loan Agreement of 26 November, 2007	USD 19,904,317

Consequently, the accuracy and completeness of long-term loans of Kshs.7,130,667,577 for the year ended 30 June, 2020, could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis totalling to Kshs.647,700,000 and Kshs.301,720,734 respectively, resulting to an underfunding amounting to Kshs.345,979,266 or 53% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.745,700,000 and

Kshs.415,548,253 respectively, resulting to an underperformance of Kshs.330,151,747 or 44% of the budget.

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

2. Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-compliance with Law on Ethnic Composition

During the year under review, the total number of employees of the Agency was sixty-six (66) employees out of whom thirty-five (35) or 53% were from the dominant local ethnic community in the County. This is contrary to section 7(1) and (2) of National Cohesion and Integration Act, 2008 which states that all public establishment shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same community.

Consequently, Management is in breach of the law.

2. Unauthorized Acting Allowance

During the year under review, Management paid an amount of Kshs.945,053 and Kshs.4,145,718 on leave allowance and acting allowance, respectively. It was however noted that two (2) vacant posts of Chief Executive Officer and Chief Technical Manager have been vacant since 10 September, 2019 and 9 October, 2018 respectively and therefore two (2) officers have been drawing the acting allowances since. This is contrary to section 4.5.4 of the Human Resource Policy and Procedure

Manual which states that appointment on acting basis is a temporary measure pending the substantive filling of the vacant post by either recruitment or resumption of duty by the substantive holder of the post. The appointment shall normally be limited to a continuous period of 6 months or until the vacant post is filled whichever is the earlier, but may be extended by the Board/CEO if the post remains vacant. No evidence of any extension was provided.

Consequently, Management was in the breach of the Manual.

3. Failure to Remit Pensions Deductions

The statements of financial position reflects accounts payables from exchange transactions of Kshs.490,734,479 which as disclosed in Note 24 to the financial statements includes accrued staff gratuity of Kshs.5,605,289 out of which the Agency had an accumulated unremitted pensions deductions amounting to Kshs.5,271,991 to the National Water Conservation and Pipeline Corporation Staff Pension Scheme. Failure to deduct and remit pension dues is contrary to Section 11(3b) of Pension Reform Act, 2014 states that employer shall not later than 7 working days from the day the employees is paid his salary, remit an amount comprising the employee's contribution under paragraph (a) of this subsection and the employer's contribution to the Pension Fund custodian specified by the Pensions Fund Administrator of the employee.

Consequently, Management was in breach of the law.

4. Project Verification

As disclosed in Note 14 to the financial statements, the statement of financial performance reflects water supplies development balance of Kshs.169,450,684 which includes constituency water projects/priority project, drilling and equipping of boreholes for schools and small dams pans and boreholes. However, physical verification undertaken in February, 2021 revealed the following anomalies:

- i) Management paid an amount of Kshs.3,314,476 to a company for Gwasssi Sindo Water Project piping works but the water treatment plant was not in use and piping works were not done.
- ii) Management paid a company an amount of Kshs.15,673,689 for completion of Homabay, Rangwe Water Supply Project but the project was yet to be operationalized while one of the tanks constructed and paid for was leaking.
- iii) Management paid an amount of Kshs.3,953,620 to a company to drill boreholes at Nduta and Got Kabok Primary School in Homa-bay County. Although the borehole was on someone farm the land, no agreement or for review title deed was provided.

- iv) Management paid an amount of Kshs. 2,657,970 to a drilling company for drilling, development and test pumping three (3) boreholes in Raduodi, Olasi /Pala Market and Igena Itambe Health Centre. However, at Igena Itambe Health Centre there were two (2) boreholes which had been drilled less than 100m apart but only one was working. It was therefore not clear why the Agency spent money to drill the borehole without conducting feasibility study to confirm the water productivity.
- v) Management paid an amount of Kshs.7,196,745 to a company for the construct Kamune Pan in Homabay County. However, fencing of the water pan was partially done and the works were not completed.
- vi) The Agency paid an amount of Kshs.1,459,012 to a construction company for rehabilitation of Oseno Dam and associated works in Mbita but works worth Kshs.859,340 could not be confirmed.

In the circumstances, it has not been possible to confirm whether the area residents got value for money on expenditure amounting to Kshs.34,255,512 for the year ended 30 June, 2020.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Long Outstanding Receivables

The Agency is owed long outstanding receivables by Nyanas Water and Sanitation Company Limited amounting to Kshs. 4,632,698 and Gulf Water Services Company

Limited amounting to Kshs. 3,186,748 respectively, which have remained outstanding over seven (7) years.

In the circumstances, it has not been possible to confirm existence of effective debt management measures at the Agency.

2. Lack of Legal Officer

During the year under review, it was noted that the Agency had no legal officer to assist in handling arbitration and legal processes, has led to delays on litigation issues. As a result, the operation of the Agency was not managed effectively and has made the Agency's legal services expenses to increase from Kshs. 8,354,596 (2018-2019) to Kshs.9,484,516 (2019-2020) as disclosed in Note 11 in the notes to the financial statements.

Consequently, the Agency has been struggling with long litigation issues which could have been cleared if there was a legal officer for follow-up on legal services.

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

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

Board of Directors is responsible for overseeing the Agency's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 February, 2022

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
	NOTE	Kshs	Kshs
Revenue from Non-Exchange Transactions			
Exchequer grants	6	549,750,000	204,201,001
Deferred income transfer	7	169,450,684	91,129,688
Total revenue from Non-Exchange Transactions		719,200,684	295,330,689
Revenue from Exchange Transactions			
Other Incomes	8	2,890,050	3,511,988
WSPs Revenue	9	9,180,000	68,194,416
Total revenue from exchange transactions		12,070,050	71,706,404
Total Revenue		731,270,734	367,037,093
Operations and Maintenance Expenses	10	15,640,890	4,091,541
Supplies and Services	11	29,300,158	22,377,024
Administrative and Establishment Expenses	13	38,109,748	28,481,639
Transport Costs	12	9,693,249	8,871,436
Water Supplies Development	14	169,450,684	91,879,450
Employee Costs	15	113,864,991	111,479,306
Remuneration of Directors	16	39,275,925	23,239,448
Finance Charges	17	212,608	361,939
Provision for Depreciation , Amortization ad Bad Debts	18	76,338,248	90,151,860
Total Expenses		491,886,501	380,933,643
Surplus/(Deficit) attributable to Owners of controlling equity		239,384,233	(13,896,550)

The notes set out on pages 31 to 39 form an integral part of these Financial Statements

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

ASSETS	NOTE	2020 Kshs	2019 Kshs
Current Assets			
Inventories	21	4,425,063	5,214,695
Cash and Cash Equivalents	22	331,110,087	191,274,751
Receivables from Exchange Transactions	23	203,712,870	229,895,467
		539,248,020	426,384,913
Non-Current Assets			
Property, Plant and Equipment	19	14,600,073,370	13,409,028,779
		14,600,073,370	13,409,028,779
Total Assets		15,139,321,390	13,835,413,693
LIABILITIES			
Current Liabilities			
Payables from Exchange Transactions	24	490,734,479	397,074,243
Non-Current Liabilities			
Long-Term Loans	25	7,130,467,551	6,658,733,734
Total Liabilities		7,621,202,030	7,055,807,978
Net Assets		7,518,119,360	6,779,605,715
RESERVES			
Government Grants	26	4,177,375,201	3,900,006,401
Donor Grants	27	2,146,395,486	2,089,134,191
Deferred Income	28	1,052,665,415	888,166,099
Revenue Reserve	29	141,683,258	(97,662,008)
		7,518,119,360	6,779,644,683


The Financial Statements set out on pages 2 to 31 were signed on behalf of the Board of Directors by:


Eng. George Odedeh
Ag. Chief Executive Officer

Date: 14/04/2021


CPA John Francis Adongo
Head to Finance
ICPAK MN.11066:

Date: 14/4/2021


Chairman of the Board
Mr. Dan Omino OGW

Date: 14/4/2021

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2020

	Notes	Government Grants	Donor Grants	Deferred Income	Revenue Reserve	Total
		Kshs	Kshs	Kshs	Kshs	Kshs
Balance as at 30 JUNE 2017		3,431,288,114	1,773,242,840	1,002,689,314	-76,658,994	6,130,561,273
Revenue Reserves	29			-	(7,106,464)	(7,106,464)
Transfer to Income	28			(78,260,568)	-	(78,260,568)
Government Grant	26	186,079,288	-	20,000,000	-	206,079,288
Donor Grant	27	-	196,177,660	-	-	196,177,660
Balance as at 30 JUNE 2018		3,617,367,402	1,969,420,500	944,428,747	(83,765,458)	6,447,451,190
Balance as at 1st July 2018		3,617,367,402	1,969,420,500	944,428,747	-83,765,458	6,447,451,190
Revenue Reserves	29				(13,896,549)	(13,896,549)
Transfer to Income	28			(103,962,647)		(103,962,647)
Government Grant	26	282,638,999		47,700,000		330,338,999
Donor Grant	27		119,713,691			119,713,691
Balance as at 30 JUNE 2019		3,900,006,400	2,089,134,191	888,166,099	(97,700,975)	6,779,605,715
Balance as at 1st JULY 2019		3,900,006,400	2,089,134,191	888,166,099	(97,700,975)	6,779,605,715
Revenue Reserves	29				239,384,233	239,384,233
Transfer to Income	28			(169,450,684)		(169,450,684)
Government Grant	26	277,368,801		333,950,000		611,318,801
Donor Grant	27		57,261,295			57,261,295
Balance as at 30 JUNE 2020		4,177,375,201	2,146,395,486	1,052,665,415	141,683,258	7,518,119,360

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 Kshs	2019 Kshs
Receipts			
Exchequer grants	6	549,750,000	204,201,001
Deferred income transfer	7	169,450,684	91,129,688
Other Incomes	8	2,890,050	3,511,988
WSPs Revenue	9	9,180,000	68,194,416
Total revenue		731,270,734	367,037,093
Payments			
Compensation of employees	15	113,864,991	111,479,306
Goods and services	13-10	132,019,970	87,100,057
Finance cost	17	212,608	361,939
Other payments	14	169,450,684	91,879,450
Total Payments		415,548,253	290,820,752
Net cash flows from operating activities		315,722,481	76,216,341
Cash flows from investing activities			
Purchase of property, plant & Equipment	19	(1,266,003,693)	(1,326,154,978)
Increase/(Decrease) in current Payables from exchange transactions	24	(93,660,236)	(39,975,998)
(Increase)/Decrease in Non current receivables from exchange transactions	23	26,182,597	(32,389,132)
Net cash flows used in investing activities		(1,333,481,332)	(1,398,520,108)
Cash flows from financing activities			
Proceeds from borrowings	25	658,464,776	916,527,108
Proceeds from Donor Grants	27	57,261,296	119,713,691
Proceeds from Government Grants	26	277,368,801	282,638,999
(Decrease)/Increase in deferred income	28	164,499,316	18,295,745
Net cash flows used in financing activities		1,157,594,188	1,337,175,542
Net (decrease) /increase in cash and cash equivalents		139,835,338	14,871,776
Cash and cash equivalents at 1ST JULY 2019		191,274,750	176,402,974
Cash and cash equivalents at 30TH JUNE 2018	22	331,110,087	191,274,751

Annual Reports and Financial Statements for the year ended June 30, 2020

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Original budget 2019/2020 Kshs	Adjustments 2019/2020 Kshs	Final budget 2019/2020 Kshs	Actual on comparable 2019/2020 Kshs	Performance difference 2019/2020 Kshs
Income					
GoK Recurrent Grants to Board Hq	120,000,000	-	120,000,000	120,000,000	-
Internally Generated Revenue from fees, charges, levies, cost sharing etc.	45,000,000	-	45,000,000	12,270,050	(32,729,950)
Ministrial Grants -Transfer		84,300,000	84,300,000	169,450,684	85,150,684
Total income	165,000,000	84,300,000	249,300,000	301,720,734	52,420,734
Expenses					
Operations and Maintenance Expenses	2,742,000	17,488,000	20,230,000	15,640,890	4,589,110
Supplies and Services	5,764,000	34,200,000	39,964,000	29,300,158	10,663,842
Administrative and Establishment	6,706,000	31,501,000	38,207,000	38,109,748	97,252
Remuneration of Directors	24,342,000	5,806,000	30,148,000	39,275,925	(9,127,925)
Transport Costs	1,735,000	7,000,000	8,735,000	9,693,249	(958,249)
Water Supplies Development & Capital Projects		-	0	169,450,684	(169,450,684)
Employee Costs	123,411,000	(12,246,000)	111,165,000	113,864,991	(2,699,991)
Finance Costs	300,000	551,000	851,000	212,608	638,392
Total Expenditure	165,000,000	84,300,000	249,300,000	415,548,253	-166,248,253

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Lake Victoria South Water Works Development Agency is established by and derives its authority and accountability from Water Act 2016. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is responsible for efficient and economical provision of Water and sanitation services within its area of jurisdiction as authorized by the Water Services Provision License and mandated by Section 68 of the Water Act 2016.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 6

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. <i>(not applicable)</i>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <i>(the standard is relevant)</i>
IPSAS 42: Social Benefits	Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <i>(the standard is relevant)</i>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2022: <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

Rendering of services

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

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

Sale of goods

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

Interest income

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2019-2020 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of nil on the 2019-2020 budget following the governing body's approval.

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

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

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

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

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

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

e) Property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

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

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

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

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

g) Intangible assets

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

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

h) Research and development costs

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs (Continued)

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

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

i) Inventories

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

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

j) Provisions

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

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

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

Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

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

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

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

r) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Comparative figures

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

t) Subsequent events

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

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

The condition of the asset based on the assessment of experts employed by the Entity

The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

Availability of funding to replace the asset

Changes in the market in relation to the asset

**5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY
(Continued)**

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 Government Grants

	2019-2020	2018-2019
Details	KShs	KShs
Development 1st Quarter	70,250,000	93,750,000
Development 2nd Quarter	70,250,000	93,750,000
Ministerial Grant 2nd Quarter	180,000,000	0
Development 3rd Quarter	70,250,000	135,750,000
Ministerial Grant 3rd Quarter	36,000,000	0
Development 4th Quarter	70,250,000	93,750,000
Ministerial Grant 4th Quarter	266,700,000	0
	763,700,000	417,000,000
Transfer to Capital grants	333,950,000	282,638,999
	429,750,000	134,361,001
Recurrent Funds Received-1 st Half Year	60,000,000	35,640,000
Recurrent Funds Received-2 nd Half Year	60,000,000	34,200,000
	120,000,000	69,840,000
Total Government grants	549,750,000	204,201,001

7 Deferred income transfer

	2020	2019
	Kshs	Kshs
Transfer to Income:		
Wash Activities & B/ Holes	968,800	0
Constituency/Priority Projects	20,849,175	51,658,554
Project Inspection and Acceptance	4,893,952	0
Water Harvesting Program	18,250,881	0
Drilling & Equipping of Bholes /Water for Sch.	50,558,676	0
Other GOK Projects	21,223,332	0
Drought Mitigation Projects	3,858,160	0
Water Projects Pans & Dams	7,045,117	39,471,134
Small Dams Pans and Boreholes	41,802,591	0
TOTAL	169,450,684	91,129,688

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020
NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 Other Incomes

	2020	2019
	Kshs	Kshs
Interest Received	972,729	2,003,318
Tender sales	-	114,000
Laboratory Charges	1,683,361	1,394,670
Salary Study Advance Recovery	233,960	
TOTAL	<u>2,890,050</u>	<u>3,511,988</u>

9. Water Levies

	2020	2019
	Kshs	Kshs
Kiwasco	4,500,000	21,121,116
Kewasco	4,600,000	26,497,939
Guwasco	-	5,925,958
Sibo	50,000	4,769,340
Tiliwasco	-	599,049
Miwasco	30,000	1,159,767
Homa Bay County	-	4,333,752
Bomwasco	-	3,787,495
TOTAL	<u>9,180,000</u>	<u>68,194,416</u>

10. OPERATIONS AND MAINTENANCE EXPENSES

	2019-2020	2018-2019
	KShs	KShs
Project Monitoring & Evaluation	6,375,410	3,410,820.60
Investment Planning & Development of Strategic Planning	7,578,491	
Environmental Impact Assessment	43,600	545,300.00
Resource Mobilization	1,271,259	-
Project Tender Advertisements and publicity	75,380	135,420.00
Computer Equipment, networking, software & maintenance	296,750	
Total	<u>15,640,890</u>	<u>4,091,541</u>

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. SUPPLIES AND SERVICES

	2020	2019
	Kshs	Kshs
Customer & Employee satisfaction , work environment Survey	91,640	-
Project Planning & Feasibility Studies	7,166,721	2,450,800.00
Cleaning Services	1,718,251	1,623,534.00
Legal Services	9,484,516	8,354,596.00
Security Services	2,367,067	2,370,351.55
Agency's Publicity & Advertisement	2,187,696	4,963,962.00
Stationery	4,138,664	2,068,280.85
Telephone & Internet	863,903	545,500.00
Tender Committee Expenses	535,000	-
Computer Equipment, networking, software & maintenance	-	-
Equiping of water testing laboratory	283,500	
Water and waste water quality surveillance	463,200	-
Total	<u>29,300,158</u>	<u>22,377,024</u>

12. TRANSPORT COSTS

	2020	2019
	Kshs	Kshs
Motor Vehicle Fuel	5,849,116	4,404,370
Motor Vehicle maintenance	<u>3,844,133</u>	<u>4,467,066</u>
Total	<u>9,693,249</u>	<u>8,871,436</u>

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. ADMINISTRATIVE AND ESTABLISHMENT EXPENSES

	2019-2020 KShs	2018-2019 KShs
Maintenance of Buildings & Office Compound	781,405	510,754
ISO Certification Expenses	149,800	-
Corporate Social Responsibility	2,025,886	721,428
Electricity & Electrical repairs	577,542	493,593
Periodicals, Newspaper, Library	264,706	156,000
Office Hospitality and Entertainment	2,271,202	2,811,947
Postage & Delivery Services	449,310	540,910
Audit Fees	3,601	1,427,400
Conferences and Shows	1,866,136	307,422
Drugs and dressing	564,075	
Protective Clothing and Uniform	120,000	
Training & Workshops	5,425,620	5,157,981
Travel & Accommodation & Subsistence	10,486,419	15,254,602
Maintenance of office Equipment & computers	1,768,674	750,897
Valuation stock taking Audits & performance Audits of WSPs	2,756,100	-
KRA Remittance Withholding tax	8,599,271	348,706
Total	38,109,748	28,481,639

14. WATER SUPPLIES DEVELOPMENT COST

	2020 Kshs	2019 Kshs
Wash Activities & B/Holes	968,800	
Other Gok Projects	21,223,332	
Project Inspection and Acceptance	4,893,952	
Water Harvesting Program	18,250,881	
Drilling & Equipping of B/holes /Water for Schools	50,558,676	830,902
Small Dams Pans and Boreholes	41,802,591	
Drought Mitigation Projects	3,858,160	
Constituency water projects/Priority Project	20,849,175	51,601,913
Water Projects Pans & Dams	7,045,117	39,446,634
Total	169,450,684	91,879,450

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE COSTS

	2020 Kshs	2019 Kshs
Basic Salary	64,962,937	62,245,004
House Allowance	15,812,000	16,678,323
Commuter Allowance	4,840,000	4,746,875
Telephone Allowance	983,000	1,056,533
Other Allowance and Leave Allowance	4,145,718	2,870,399
Pension and staff Gratuity	12,250,940	10,359,195
Medical Insurance	10,106,905	11,999,961
NITA	32,850	32,600
Staff welfare	730,640	1,490,416
	<u>113,864,991</u>	<u>111,479,306</u>

16. REMUNERATION OF DIRECTORS

	KShs	KShs
Chairman's Honoraria	761,892	415,000
Directors emoluments	38,514,033	22,824,448
Total	<u>39,275,925</u>	<u>23,239,448</u>

17. FINANCE COST

	2020 Kshs	2019 Kshs
Bank Charges	212,608	361,939
	<u>212,608</u>	<u>361,939</u>

18. DEPRECIATION AND AMORTIZATION EXPENSE

	2020 Kshs	2019 Kshs
charge for the year-		
Computer Softwares	-	4,422,508
Buildings HO	3,481,470	3,481,470
Furniture & Fittings	1,170,889	1,163,389
Water Supply Infrastructure	71,685,889	71,685,889
Specific provision for Bad Debts Written Off	-	9,398,604
	<u>76,338,248</u>	<u>90,151,860</u>
 Property Plant and Equipment	 <u>14,600,073,370</u>	 <u>13,409,028,779</u>

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. PROPERTY PLANT AND EQUIPMENT (ASSET MOVEMENT SCHEDULE)

COST	FREHOLD LAND	BUILDING	M/VEH & CYCLES	WATER SUPPLY INFR	PLANT MACHINERY	FURNITURE FIT	OFFICE EQUIP	COMPUTERS SOFTWARE	WORK IN PROGRESS	TOTAL
	Shs		Shs	Shs	Shs	Shs	Shs	Shs		
RATE		2.5%	25%	2.5%	20%	12.5%	20%	20%	0.0%	
At July 2018	157,007,227	139,258,800	126,370,080	2,867,435,571	19,333,097	9,307,113	2,451,597	22,112,540	9,870,704,010	13,222,959,727
Additions									1,326,154,979	1,326,154,979
Disposals	-	-	-	-	-	-	-	-		
Transfers/adjustments	-	-	-	-	-	-	-	-		
At 30 th June 2019	157,007,227	139,258,800	126,370,080	2,867,435,571	19,333,097	9,307,113	2,451,597	22,112,540	11,196,858,989	14,549,114,706
Additions			694,405			59,995		1,142,602	1,266,003,693	1,267,900,695
Disposals										
Transfer/adjustments										
At 30 th June 2020	157,007,227	139,258,800	127,064,485	2,867,435,571	19,333,097	9,367,108	2,451,597	22,112,540	12,462,862,682	15,817,015,401
Depreciation and impairment										
At 30 June 2018	-	18,555,916	126,370,080	860,230,671	19,333,097	6,239,442	2,451,597	17,172,175	-	1,059,332,670
Depreciation	-	3,481,470	-	71,685,889	-	1,163,389	-	4,422,508	-	80,753,256
Impairment	-	-	-	-	-	-	-	-	-	-
At 30 June 2019	-	22,037,386	126,370,080	931,916,560	19,333,097	7,402,831	2,451,597	21,594,683	-	1,140,085,927
Depreciation	-	3,481,470	-	71,685,889	-	1,170,889	-	517,857	-	76,856,105
Disposals										
Impairment										
Transfer/adjustment										
At 30 th June 2020	-	25,518,856	126,370,080	1,003,602,449	19,333,097	8,573,720	2,451,597	22,112,540	-	1,216,942,031
Net book values										
At 30 th June 2020	157,007,227	113,739,944	694,405	1,863,833,122	-	793,388	-	1,142,602	12,462,862,682	14,600,073,370
At 30 th June 2019	157,007,227	117,221,414	-	1,935,519,011	-	1,904,282	-	517,857	11,196,858,989	13,409,028,779

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020
NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. ADDITIONAL ASSETS

	2019-2020	2018-2019
	KShs	KShs
Computer	1,142,602	0
Motor Vehicles	694,405	0
Furniture	59,995	0
	<u>1,897,002</u>	<u>0</u>
Water Supply infrastructure- wip		
Transfer		
Works- Lvwatsan II	40,635,350	149,950,186
Pending Bill-Lvwatsan II	470,704,246	263,919,913
Services- Lvwatsan II	9,308,742	
Goods -LVWATSAN II		
Works-WSDP	613,430,123	703,432,231
Services-WSDP		26,822,444
WSDP-Pending Bill	34,001,529	88,886,186
Kisumu LTAP-Pending bill	36,568,861	-
Trilateral		-
Kisumu LVWATSAN	57,261,295	42,658,269
Kisumu LTAP- foreign		
Bunyonyu Dam Water Project	4,093,548	50,485,750
Total WIP	<u>1,266,003,693</u>	<u>1,326,154,979</u>
Total Additions	<u>1,267,900,695</u>	<u>1,326,154,979</u>

21. INVENTORY & STORES

Building Materials	339,949	424,508
Computer Consumables	564,220	704,565
Water Pumps and Hand Pumps		-
Electricals	280,122	349,800
Meters	280,122	2,122,580
Other Items	346,749	725,450
Pipes and Fitting	2,613,901	860,077
Protective Gear		
Stationery		
Water/Hand Pumps		27,715
TOTAL	<u>4,425,063</u>	<u>5,214,695</u>

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020
NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. CASH AND CASH EQUIVALENTS

	2020 Kshs	2019 Kshs
CO-OP Revenue 01141295755601	5,935,852	8,855,473
CO-OP LVWAT\$AN2 01141295755600	18,164	18,164
K.C.B - SIDA Danida 1104035197	2,678	2,678
K.C.B - KIDDIF Italy 1146676387	3,567,671	5,299,288
K.C.B - UNICEF Funds 1116821648	165,760	165,760
K.C.B - Pans & Dams1104036320	39,413	39,413
K.C.B. - Recurrent 1104034395	7,331,096	0
K.C.B - Development A/c 1104035464	258,401,771	128,804,250
K.C.B - KCB SHORT TERM DEPOSITS	25,183,869	24,119,978
K.C.B. - Recurrent 1211147177	12,996,788	8,998,105
K.C.B. - Recurrent 1211147266	268,237	271,108
K.C.B. - Recurrent 1211147290	644,580	647,577
K.C.B. - Recurrent 1211147312	16,554,209	14,046,437
K.C.B. - Recurrent 1211147274	0	3,260
K.C.B. - Recurrent 1211147282	0	3,260
Cash In Hand	0	0
TOTAL	331,110,087	191,274,751

23. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2019-2020 KShs	2018-2019 KShs
KISUMU WATER AND SEWERAGE Co. Ltd	38,438,707	40,600,538
KERICHO WATER AND SANITATION Co. Ltd	68,772,041	72,605,755
GUSII WATER AND SANITATION CO. LTD	21,681,385	25,355,600
SIBO WATER AND SANITATION CO. LTD	34,716,613	35,833,930
MIKUTRA WATER AND SANITATION CO.	7,260,349	7,579,656
HOMA BAY WATER AND SANITATION CO.	23,764,569	24,511,441
BOMET WATER COMPANY	8,376,115	8,776,115
NYANAS WATER AND SANITATION CO.	4,632,698	4,632,698
GULF WATER SERVICES CO. LTD	3,186,748	3,186,748
STAFF ADVANCES	703,091	-
	211,532,316	223,082,481
Provision for bad and doubtful debts	7,819,446	9,398,604
Net Receivables from Exchange Transactions	203,712,870	213,683,877

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. PAYABLES FROM EXCHANGE TRANSACTIONS

	2020	2019
	Kshs	Kshs
Creditors	13,867,716	16,984,280
Accrued staff gratuity	5,605,289	8,855,473
KRA		0
WSP Loans Payable		925,205
OD/K.C.B -Recurrent 1104034395		2,422,912
Pans and Dams	27,550,460	27,550,460
Total	<u>47,023,465</u>	<u>56,738,330</u>
Counterpart funding		
KISUMU LTAP PROJECT	-	53,158,268
LVWATSAN II	341,579,009	75,031,682
SMALL TOWNS	29,215,770	13,256,760
WSBSP	38,608,479	90,629,725
WSDP	30,145,834	103,679,478
Bonyunyu-Orio		4,580,000
National Water Pipeline & Conservation Staff Pension	4,161,922	
TOTAL	<u>443,711,014</u>	<u>340,335,913</u>
Total Payables	<u>490,734,479</u>	<u>397,074,243</u>

25. Non-Current Liabilities

	2020	2019
	Kshs	Kshs
Bal. b/f	6,658,733,734	5,742,206,626
WSD-KFW	471,733,817	916,527,108
Total	<u>7,130,467,551</u>	<u>6,658,733,734</u>

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. GOVERNMENT GRANTS

	2019-2020	2018-2019
	KShs	KShs
Government grant as at 1st July	3,900,006,401	3,617,367,402
Rangwe project	6,786,003	7,069,842
Small Towns project		37,728,145
KFW	90,155,107	74,581,453
West Karachuonyo	1,971,795	12,832,960
Kisumu Ltap	60,167,844	22,500,000
Bunyonyu Dam	4,093,548	28,992,438
Lvwatsan II project	49,944,092	76,481,284
WSBSP Project- SCC	38,653,696	11,346,904
Kisumu Lvwatsan	2,042,508	
Retention Current	23,554,209	11,105,972
Total for the period	277,368,801	282,638,999
Bal. C/f	4,177,375,201	3,900,006,401

27. DONOR GRANTS

	2019-2020	2018-2019
	KShs	KShs
Bal. b/f	2,089,134,191	1,969,420,500
LVWATSAN II	-	2,669,965
KISUMU LVWATSAN	57,261,295	95,550,414
Orio -Netherlands Government		21,493,312
Total for the period	57,261,295	119,713,691
Bal. C/f	2,146,395,486	2,089,134,191

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. DEFERRED INCOME TRANSFER

	2019-2020 KShs	2018-2019 KShs
As at 1 July 2019	888,166,099	944,428,746
KIDPP		
Ministerial Grant	333,950,000.00	47,700,000.00
Total	333,950,000	47,700,000
Less : Transfer to Capital grants, Donor grants		
-Rangwe Water Project		12,832,960
-West Karachuonyo	-	12,832,960
Less : Transfer to income		
Constituency & Priority Projects	20,849,175	51,658,554
KRA Remittances		-
other GOK projects	21,223,332	
Water Projects Pans & Dams	127,378,177	39,471,134
	169,450,684	103,962,647
As at 30 June 2020	1,052,665,415	888,166,099

29. REVENUE RESERVE

	Ksh	Ksh
Revenue Reserve		
Balance as at 30 JUNE 2018	(83,765,458)	(76,658,994)
Surplus/(deficit) for the period	(13,896,550)	(7,106,464)
Balance as at 30 JUNE 2019	(97,662,008)	(83,765,458)
Surplus/(deficit) for the period	239,384,233	(13,896,550)
Balance as at 30 JUNE 2020	141,683,258	(97,662,008)

30. FINANCIAL RISK MANAGEMENT

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk

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

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

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. FINANCIAL RISK MANAGEMENT (Continued)

iv) Capital Risk Management

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

	2020	2019	2018
	Kshs	Kshs	Kshs
Government Grants	4,177,375,201	3,900,006,401	3,617,367,402
Donor Grants	2,146,395,486	2,089,134,191	1,946,447,488
Deferred Income	1,052,665,415	888,166,099	965,051,916
Revenue Reserve	141,683,258	-97,700,975	-88,846,610
Total funds	7,518,119,360	6,779,605,716	6,440,020,196
Total borrowings	7,130,467,551	6,658,733,734	5,742,206,626
Less: cash and bank balances	331,110,087	191,274,751	179,557,176
Net debt/(excess cash and cash equivalents)	6,799,357,464	6,467,458,984	5,562,649,450
Gearing	90%	95%	86%

31. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)
47. RELATED PARTY BALANCE (Continued)

	2020	2019
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt	883,700,000	534,540,000
Donations in kind	-	-
Total	883,700,000	534,540,000
c) Expenses incurred on behalf of related party	0	0
Total	0	0
d) Key management compensation		
Directors' emoluments	39,275,925	23,278,416
Compensation to the CEO	2,812,215	6,918,998
Compensation to key management	23,887,108	17,639,972
Total	65,975,249	47,837,386

32. SEGMENT INFORMATION

Segmental reporting is not applicable in this case.

33. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

	PARTIES	MATTER IN BRIEF	CLAIM	EXTERNAL COUNSEL ON RECORD/LEGAL FEE	REMARKS /WAY FORWARD
1.	KSM HCCC MISC. 235/2018 STAUSII & ASUNAH ADVOCATES	Dispute arising out of contract variation in the Kisumu Short Term Project between Kundan Singh & LVSW/SB. Claim Kshs. 358,863,133.44 excluding interest. Arbitration collapsed on the face of the law and the advocate on record requested for full and final fees. The Agency had made part payments amounting to Kshs. 12,300,000/=.	Bill of costs of Ksh. 87,466,217/ =.	SALA MUDANY ADVOCATES The advocates has been paid Kshs.3,600,000/= leaving an outstanding balance of Kshs.3,400,000.	To request the advocate on record for the Agency; 1. Negotiated with Staussi and Asunah to review their taxed amount downwards to Kshs. 25,000,000/=. 2. The sum to be paid vide installments.
2.	Kisii Cmcc No.139 & 140 Of 2014. Judith Moraa Ongori/ Isaac Ongori Aminga -Vs.- LVSW/SB & General Motors East Africa	This is a claim emerging from an accident which occurred on 31/5/2011 involving Motor Vehicle Reg. No. KBN 704E. The Plaintiff is claiming special and general damages. Worth noting is that at the time of accident, General Motors (Supplier) had not delivered the said vehicle to LVSW/SB.	Accident claims to be deduced by court	Advocates Not ascertained	Judgement was entered against the 2 nd Defendant General Motors East Africa this means LVSW/WDA has nothing to pay in respect of the Plaintiff's claim. LVSW/WDA to settle the advocates fee, note of Kshs. 91,750/= which is reasonable and proceed to close the file.

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

	PARTIES	MATTER IN BRIEF	CLAIM	EXTERNAL COUNSEL ON RECORD/LEGAL FEE	REMARKS /WAY FORWARD
3.	ELRC Court No.30 of 2016 Eng. M.O. Agumba V Chairman LVSWSB and CS MWI	Following his dismissal on 19 th October 2015. The claimant Eng. Moses Orot Agumba moved to the Employment and Labor Relations Court in Kisumu seeking orders on LVSWSB to pay him unpaid dues and payments on the remainder of his term. Next hearing 8 th July 2019	To be deduced by Court based on his last contract	Advocates Not ascertained	From the look of things, the Claimant has lost interest in the case and it is an easy case for dismissal for want of prosecution. However, the advocate on record insists on payment of his interim fees before filing the application for dismissal. LVSWWDA to negotiate on fees since the advocate had been paid an initial deposit (to be ascertained)
4.	Misc. 8 of 2016	This was the initial case where Eng. Agumba was praying for reinstatement but LVSWSB got favorable orders	Non-monetary claim	Advocates Not ascertained	
5.	KISII ELC Court No. 538 of 2015 PATRICK J OTIENO VS LVSWSB	This is a matter emanating out of the Migori Water Project. The plaintiff is owner of parcel of land Kanyamkago/Kawere 11/1424 bordering Oyani river to the north. He claims that our construction of the weir upstream in 2013 damaged his sugar plantation, mature kales and two fish ponds each stocked with 2,500 fingerlings. His prayers are that LVSWSB makes good and pay reparations for damaged occasioned amounting to Kshs. 11,043,525 and damages for violating his rights to be determined by the court and any interests thereon including the cost of the suit. LVSWSB engaged Eng. Ochanda (Who was team leader of Otieno Odongo-the consultant during the implementation of Migori Water and Sanitation Project) who prepared an elaborate counter report putting the claim at Kshs. 1,781,237 and restitution of the embankments by erecting 300 mm wide, 3m high concrete river bank protection wall (Training, Diversions, walls and embankments would cost LVSWSB Kshs. 199,687,773) Next hearing date 29 th October 2019	Claimant wants Kshs. 11,043,525 with interest.	STAUSI & ASUNAH ADVOCATES Not ascertained	Judgment was entered in favor of the Plaintiff as follows; Costs of reparation Kshs. 11,043,525/=
					Interests thereon from 18/12/2015 – Kshs. 7, 215,101/=
					General damages – Kshs. 4,800,000/=
					Restoration within 6 months.
					Costs approximated at Kshs. 1,007,515.80
6.	ELRC 16 OF 2016 KUCFAW V NYANAS, KIWASCO & LVSWSB	In this matter, KUCFAW the Employees union wants NYANAS, KIWASCO and LVSWSB and Kisumu County Government to settle as various payments totaling to Kshs. 6,748,428 In a ruling delivered by Hon Njagi Marete sitting in Kericho on 9 th October 2018 awarded the Union liability at parity (Kshs. 4,000,000-Salary arrears) and (Kshs. 262,000-Union dues)	Kshs. 6,784,428	Kshs. 854,894.	The union dues were paid on 16 th April 2019. The advocate has raised a fee note of Kshs. 854,894/= which is drawn as per the Advocates Remuneration Order thus reasonable and should be paid and the file closed.
7.	ELRC 184 OF 2016 JOSHUA OMENDA ODENY V LVSWSB	This matter was lodged by Eng. Joshua Omenda Odeny who was the Board's electromechanical engineer but dismissed on 4 th June 2015 on account of gross misconduct amongst other breaches. Matter is well contained with CMHR as the Boards witness. In preparation for hearing CMHR and CMF to	Compensation calculated at court rates with interest as per his letter of appointment	ADVOCATES	Matter to be heard and dispensed with by the Court.

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

	PARTIES	MATTER IN BRIEF	CLAIM	EXTERNAL COUNSEL ON RECORD/LEGAL FEE	REMARKS /WAY FORWARD
		compute his dues and benefits as per his terms. Last hearing date was 6 th March 2019; A new date is yet to be communicated.			
8.	PM COURT AT KEROKA 119 OF 2016 Charles Mogaka Oyugi V LVSWWSB & Nyamira County Government	This claim emanates from ongoing project known as Nyangori-Keroka Water Project in Nyamira County. The county government settled the cost of land for the project with the understanding that LVSWWSB will settle crops and trees on the land. However, when LVSWWSB requested for valuation report it emerged that the County Government had settled in full the cost of land and the trees to land owners. The claimant in this suit had leased a parcel from the land owners to plant trees and was not compensated. Matter is well contained with the Boards witnesses being Eng. Oronje and Mr. John Nganga (County Valuer) Judgement awaited.	Claimants wants to be paid Kshs.2,000,000	ADVOCATES Kshs. 204,745/=	The advocate has raised a fee note of Kshs. 204,745/= which is drawn as per the Advocates Remuneration Order thus reasonable and should be paid and the file closed.
9.	EACC. No. 6 of 2015. Republic V Jared Okello and 2 others	This case emanates from payroll variation amounting to approximately 14 Million which former finance manager of LVSWWSB is accused of stealing by servant and obtaining money by fraud. This is an EACC matter in which LVSWWSB is an interested party. Accused were found not culpable.	LVSWWSB seeks to recover Kshs. 14 Million hoping EACC lodges an appeal	To engage an external advocate to take up the case initially handled by in-house counsel who resigned from the Agency one year ago. To be advised.	No legal fees are payable, however, LVSWWDA may wish to watch brief in the event an appeal is lodged by EACC. LVSWWDA may institute recovery proceedings against the former employee upon establishing that he has assets which can satisfy the amount lost.
10.	KSM CIVIL CASE NO.103/2013 Ticho Enterprises V LVSWWSB	Ticho Enterprises Limited is the contractor of Ngochoni (Kioboke) Dam and Associated Works In Kuria West Sub County, Kuria West Constituency, Migori County. Ticho Enterprises has sued the Board for outstanding debt. From technical analysis this claim is not factual because joint final inspection and issuance of substantial completion certificate has not been undertaken. The court ordered that the disputed amount be deposited in an interest earning account in a joint account of the parties advocates as the case is going on.	Kshs. 874,972.90 and overdue bank penalties.	SALA MUDANYADVOCATES The advocate has been paid Kshs.189,000/= leaving an outstanding balance of Kshs.174,000/=	Judgement of Kshs. 753,782/= with costs and interest entered in favor of the Plaintiff. LVSWWDA being dissatisfied with the award instructed the advocate on record to appeal. The advocate obtained a stay order conditional on depositing the costs in a joint interest earning account by the advocates.
11.	Kericho CMCC 71 of 2017 Evelyn Nyanchera Menta (Sabina Moraa Ratemo) V LVSWWSB & KEWASCO	On 16 th June 2016 a bowser KCA 039F owned by LVSWWSB but on lease to Kericho Water and Sanitation Company caused an accident in which Sabina Moraa Ratemo passed away. Last hearing date was 15th May 2019 new dates yet to be communicated.	Fatal accident claims to be adduced in court	Advocates Not ascertained	The case should have been transferred to the insurer of the Motor vehicle for defense after service of court documents. Since time was of essence the insurer might not accept taking up the case now. All road accidents should be reported as soon as practicable to the insurer to actualize the benefit of having an insurance cover in place. Since the vehicle was being

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

	PARTIES	MATTER IN BRIEF	CLAIM	EXTERNAL COUNSEL ON RECORD/LEGAL FEE	REMARKS /WAY FORWARD
					used for the benefit and purport of Kericho Water & Sanitation at the time of the accident, it is important that this is adduced in court to ensure judgment is not entered against the Agency.
12.	Kericho CMCC 301 of 2016 and 66 of 2017 Cosmas Milgo and Mary Gesare V LVSWSB China Jianxi Robert Kimathi	On 16 th December 2015 M/V KBU 392L driven by the 3 rd defendant collided with motor cycle KMCZ 9885 in Kericho County thereby causing injuries to the rider Cosmas Milgo and his pillion passenger Mary Gesare. Monarch insurance has taken up the matter and instructed Kibichy Advocates to take up the matter.	Disability claim to be adduced by court.	Monarch Insurance took over the matter from 8 th May 2019 Fee notes of Ms. Staussi & Asunah in respect to work so far done to be settled by LVSWSB/LVSWWD A	The case should have been transferred to the insurer of the Motor vehicle for defense after service of court documents. Since time was of essence the insurer might not accept taking up the case now. All road accidents should be reported as soon as practicable to the insurer to actualize the benefit of having an insurance cover in place. It is prudent to engage our doctor for purposes of carrying out a second medical examination on the Plaintiffs noting that the accidents are not disputed. To attempt out of court negotiations.
14	Kisii HCC 65 of 2017 Zachariah O. Mbogo V Stephen Mabeya Oira Mogare James Ogata	This is matter involving Nyamecheo Community Water Project in Nyamira County. The claimant applied to court under certificate of urgency to issue injunction to defendants to stop erecting any structures, tilling, digging, cultivating or interfere with land Gesima Settlement Scheme /519. The project was started by the Ministry of Water & Irrigation in 2007, in 2017 the project was earmarked by the Ministry for commissioning during the World Water Day celebrations. New dates to be communicated.	Complainant wants to be settled	To engage an external advocate to take up the case initially handled by in-house counsel who resigned from the Agency one year ago. To be advised	
15.	Nairobi ELC Court 1623 of 2016 Ronald Sigeyh Vs Chemosit Water and Sanitation Company, LVSWSB and KCB	Ronald Sigeyh is the former Managing Director of Chemosit Water and Sanitation Company who was sent on an indefinite compulsory leave by the then CEO of LVSWSB, Eng. Michael Ochieng at the onset of invocation of emergency notice under clause 19 of the service provision agreement occasioned by failure by Chemosit Water Company to adhere to Minimum Service Provision levels. Consequently, the claimant is claiming for unpaid salaries for 35 months @ Kshs. 130,000 per month and gratuity calculated at 25% of his total basic, general damages and interest (Kshs. 7,200,000) In the Judgment delivered on 6 th July	Kshs. 7,200,000 Notice of appeal has been issued by the claimant however the legal fee note of Kshs. 693,639 is still pending since Kshs. 667,500 was paid in August 2018	Kshs. 1,537,659	

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

	PARTIES	MATTER IN BRIEF	CLAIM	EXTERNAL COUNSEL ON RECORD/LEGAL FEE	REMARKS /WAY FORWARD
		2018 LVSWSB was absolved from any liability although LVSWSB was ordered to bear its own cost of the suit			
16.	Nairobi Constitutional and Human Rights Court Petition No. 277 of 2017 Council of Governors V 15 Respondents. (NEMA, KFS, NDMA and all water sector institutions)	The Council of Governors (CoG) has moved to court through Lawyer Peter Wanyama to sue 15 respondents for infringing the above articles of the constitution. These are National Environmental Management Authority (NEMA), Kenya Forest Service (KFS), Water Resources Authority, WASREB, and WSFT, all the 8 water boards including LVSWSB, National Drought Management Authority and The Attorney General. The CoG is claiming that the Water Act 2016 diverts funds meant for county governments to an unnecessary multiple institutions of the national government contrary to the structure of devolution.	Non-monetary claim	All water sector institutions to use one legal counsel- Prof. Albert Mumma. Actual contribution on cost to be discussed	
17.	ELC Kisumu 198 Of 2017 Charko Varkey Vs KENHA AG-KENYA LVSWSB	The complainant Mr. Charko Varkey is the registered owner of Kisumu/Municipality/ Block 10/564 at Kahoka area Kisumu currently in use by Pinocchio School. The claim is emanating from reconstruction, expansion and redesign of Water and Sewerage infrastructure along Kisumu – Nairobi Road and Ring road Nyalenda in which the claimant states that the sewer line has encroached into his parcel without any compensation and notice of acquisition of the said portion.	The claim is for: -Valuation of land already acquired - Compensation on at Market Rates -Payment of General Damages	SALA MUDANY ADVOCATES The advocate had been paid Kshs. 180,000/= Balance of legal fees Kshs 278,000/=	
18.	Kisii Const. Petition No.8 of 2018 Simon Otwor & 7 others V LVSWSB & 6 others	On 12 th February 2018 8 petitioners lodged a matter at Kisii High Court seeking temporary injunction restraining the Board from commencing, surveying, mapping or dealing with all parcels of land constituting Bonyonyu , Bochura , Kanyimbo , Gechona , Nyamakairo ,Kerongeta , Botabori and adjoining villages within Gachuba Ward pending hearing and determination of the petition. On 29 th June 2018, Judgment was delivered in favor of LVSWSB in which the judge found no merit in the petitioners Notice of Motion dated 8 th February 2018.	Notice of Appeal was lodged on 16 th July 2018	SALA MUDANY ADVOCATES The advocate had been paid Kshs.3,350,000 leaving a balance of Kshs. 3,650,000/= for handling the appeal.	To negotiate on advocates fees.

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

	PARTIES	MATTER IN BRIEF	CLAIM	EXTERNAL COUNSEL ON RECORD/LEGAL FEE	REMARKS /WAY FORWARD
19.	KSM ELC NO. 51/2013 Seline Akoth Onyienyo v George Owido & LVSWSB	On 31 st August 2012 LVSWSB acquired Kisumu/Kogony/1041 for use by Kisumu Long Term Action Plan Project, a 6000 cubic meter tank was constructed on the land and LVSWSB fully transferred the land from George Owido to LVSWSB. Without the boards knowledge interlocutory judgement was entered against the Board on 26 th October 2015 and that subsequently on 18 th January 2016 there was a permanent injunction restraining the LVSWSB from dealing with prompting the plaintiff to institute plans of execution in order to recover costs of the suit. On 30 th October 2018 LVSWSB under certificate of urgency managed to halt execution of its property and placed interlocutory judgment aside to have the matter heard afresh. Land and Environment Court has since ruled in favour of the applicant.	Restitution – removing the 6,000 cubic meter tank	SALA MUDANY ADVOCATES The advocate had been paid Kshs. 194,554 leaving a balance of Kshs. 2,209,800/=.	The advocate for the Agency has since filed an application for stay pending appeal and record of appeal in pursuant of instructions to appeal against the decision. To negotiate on advocates fees.
20	CMCC Homabay 103 of 2018 Barack Owuor Aboge V LVSWSB & Gilbert Onjiko Ongocho	Barack Aboge is suing on behalf of Michael Aboge (Deceased). Fatal accident occurred on 1 st July 2018 involving KCA 037F a tanker leased to HOMAWASCO by LVSWSB. The tanker had a valid Monarch Insurance Company Sticker KSM/0800/060315/16 whose expiry was 8 th November 2018. Gilbert Onjiko Ongocho is an employee of HOMAWASCO and was the driver of the tanker. Matter is yet to commence but there's active communication between HOMAWASCO and LVSWSB	Fatal Accident Claim to be adduced at court rates	To be adduced as no firm has been appointed to act	The insurer of the Motor vehicle should take over the case. All court documents should be forwarded to the Insurance Comapny. All road accidents should be reported as soon as practicable to the insurer to actualize the benefit of having an insurance cover in place.
21.	ELC KISUMU No. 2 of 2019 Jackson Baburam and 2 others V Suereca EA and LVSWSB	Cause of action arose in 2013 when under the Kisumu Long Term Project where water pipes laid from Kajulu to Kibuye Water Reservoirs were laid on suit property adjacent to Nyerere Highway and Indusi road Junction in Kisumu City; issue at hand is wayleave, trespass and compensation. Suereca E.A Limited was the consultant in the project.	Restitution or settlement at Court Rates	To be adduced as no firm has been appointed to act. This should be hastened as judgement could be entered against LVSWSB/LVSWWD A due to non-representation. Refer to legal opinion given	To obtain particulars from Technical on the dispute and engage an advocate to defend the interest of the Agency.
22	KISII ELC SUIT NO.1 OF 2019 Daniel F. Bundi Nyamurah – VS- LVSWWDA & GUSII WATER SANITATION COMPANY	The Plaintiff is seeking for a permanent injunction restraining the Defendants from interference and damages for trespass on grounds that the Defendants erected a tank on parcel No. NYARIBARI CHACHE/B/BOBURA/2619 which is owned by his late father without authority.	Permanent Injunction	STAUSSI & ASUNAH ADVOCATES Not ascertained	The following defences will be available if the date of erection of the tank can be established with certainty; Adverse possession, if the Agency and the Company can prove uninterrupted occupation for a period of twelve (12) years and above; The Plaintiff to succeed in prayer for damages for

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

	PARTIES	MATTER IN BRIEF	CLAIM	EXTERNAL COUNSEL ON RECORD/LEGAL FEE	REMARKS /WAY FORWARD
					trespass, he must prove that he is and has been indeed in possession of the parcel during the period the trespass occurred. A suit for damages for trespass can only be successful by person in possession, thus, ownership is not a consideration.
23	KERICHO ELC CASE NO. 18 OF 2015 Eunice Chepkoris Soi -VS- LVSWWDA & BOMET WATER COMPANY	The Plaintiff are seeking for a permanent injunction restraining the Defendant's and damages for trespass on grounds that the Defendants constructed water works on land known as KERICHO/MOGOGIEK/527 without a justifiable claim.	Permanent Injunction	To status of the case from the court file and instruct an advocate to be on record for the Agency.	<p>The following are available legal defences; Adverse possession – The MWS&I should institute a suit for adverse possession to defeat the current suit for being in possession of the parcel where the water works are constructed from 1978. The Plaintiff's confirm in their claim that the water works were constructed in 1978. The suit herein was instituted in 2015. Bomet Water Company Limited was incorporated on 18th June 2013 and the Board was established under the Water Act, 2002 through gazette notice 1717 of 2004. The Agency and the Company are not in a position to seek for this remedy.</p> <p>In the alternative we should file an application to enjoin the MWS&I in the current suit and introduce adverse possession. It is important to retrieve adequate documentation in support of the foregoing.</p> <p>The Plaintiff to succeed in prayer for damages for trespass, he must prove that he is and has been indeed in possession of the parcel during the period the trespass occurred. A suit for damages for trespass can only be successful by person in possession, thus, ownership is not a consideration.</p>

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

	PARTIES	MATTER IN BRIEF	CLAIM	EXTERNAL COUNSEL ON RECORD/LEGAL FEE	REMARKS /WAY FORWARD
26	KISUMU E&LRC JR NO. 7 OF 2020 REPUBLIC – VS- LVSWWDA & MARK OUMA MWANGO EXPORTE APPLICANT – ALEX OYUGI OBONYO	<p>The relief sought is an order of mandamus directed to the Agency to terminate the employment contract of the Internal Auditor, Mark Ouma Mwango on grounds that he is not qualified to hold the position.</p> <p>The suit is premised on the Accountants Act, No. 15 of 2008; Section 18 (1) which provides for the requirement for practising certificate that is in force;</p> <p>Section 18 (2) provides for contravention of Section 18 (1) above which is a fine of five hundred thousand shillings or to imprisonment for a period not exceeding three years or to both.</p> <p>Section 19 (1) (b) provides that one will be practising as an accountant if he/she offers to perform or performs services involving the auditing or verification of financial transactions, books, accounts or records;</p>	Prerogative Orders	The applicant was granted leave to institute the Judicial Review Proceedings. To instruct an external advocate to defend the suit.	<p>The Principal Auditor of State Corporations is the Auditor General and not the Internal Auditor. The role in 19 (1) (b) is carried out by the Auditor General and not the Internal Audit function. An internal auditor is recruited pursuant to the governing HR Instruments of the State Corporation.</p> <p>Section 18 and 19 of the Accountants Act will thus be applicable to the Auditor General.</p>
27	NYAMIRA CMCC NO. 24 OF 2020 Yunes Boera Nyamwange & 2 Others – VS- STEPHEN MABEYA & LVSWWDA	The Plaintiffs are seeking for a permanent injunction restraining the Defendants from trespassing and declaration that they remove pipeline on parcel No. GESIMA SETTLEMENT SCHEME/5	Permanent Injunction and restoration orders	To engage an advocate to file a holding defence	The cause of action arose on or about 8 th March 2017 and it is prudent to negotiate with the Plaintiff's and settle this case out of court.
28	KISII HCCC NO. 65 OF 2017 Zachariah Obutu Mbogo –VS- Stephen Mabeya & Others	The Plaintiffs are seeking for an order for eviction, permanent injunction restraining the Defendants from trespassing and declaration of ownership in respect of land parcel No. GESIMA SETTLEMENT SCHEME/519 measuring 2.43 hectares. The cause of action arose in March 2017.	Permanent Injunction	To engage an advocate to file a defence to curb interlocutory judgement against the Agency noting that we have not filed a defence	Commence negotiations with the Plaintiffs to settle the dispute as per the valuation report from the County Valuer
29	WINAM CIVIL CASE NO.211/2015 Felix Apollo Owuor T/A Victoria Blue Services	Garnishee proceedings are ongoing; Waiting for the court to issue a notice for delivery of judgement.	Garnishee Order	SALA MUDANY ADVOCATES. Kshs.200,000/=	To prosecute the application to strike out the appeal filed by the petitioner for want of prosecution.

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

34. CAPITAL COMMITMENTS

Capital commitments	2019-2020	2018-2019
	Kshs	Kshs
Authorised for	281,000,000	375,000,000
Authorised and contracted for	281,000,000	375,000,000
Total	281,000,000	375,000,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. TAXATION

The Agency is non-commercial government owned agency.

36. EVENTS AFTER THE REPORTING PERIOD

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

37. ULTIMATE AND HOLDING ENTITY

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

38. Currency

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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)
1.1					

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

APPENDIX II: PROJECTS IMPLEMENTED BY LVSWWD

Projects implemented by Lake Victoria South Water Works Development Agency Funded by development partners

	Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	Small Towns rural water supply and Sanitation Project	2100150021543	AfDB	2011-2017	2.2B	Yes	Yes
2	Keroka Kericho Water Supply and Sanitation Project	2100150019667	AfDB	2011-2018	1.32b	Yes	Yes
3	Rehabilitation of Kericho Sewerage Project	2100150019667	AfDB			Yes	Yes
4	Design and Supervision of works for LVWATSAN II Projects	2100150019667	AfDB			Yes	Yes
5	Water Sector Development Programme	BMZ 2010 65 861	KFW	2014-2021	3.842B	Yes	Yes
6	Kisii Water Supply and Sanitation Project Bunyonyu Dam)	ORIO11/KE/21	ORIO	2016-2022	33.08M	Yes	Yes
7	Trilateral Development Cooperation in Kenya ,Water and Sanitation Sector	BMZ 2013 65 352	KFW	2015-2020	76.6M	Yes	Yes
8	Kisumu LVWATSAN Project	CKE 1093 02 M	EIB/AFD	2015-2022	70M	Yes	Yes
9	Homa Bay Cluster Water Project		FINEXPO		10M		Yes

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME: LAKE VICTORIA SOUTH WATER WORKS DEVELOPMENT AGENCY		
Break down of Transfers from the Ministry of Water & Sanitation and Irrigation		
FY 19/20		
a. Recurrent Grants		
Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
14-Aug-19	10,000,000	2019-2020
05-Sep-19	10,000,000	2019-2020
04-Oct-19	10,000,000	2019-2020
05-Nov-19	10,000,000	2019-2020
10-Dec-19	10,000,000	2019-2020
24-Dec-19	10,000,000	2019-2020
10-Feb-20	10,000,000	2019-2020
04-Mar-20	10,000,000	2019-2020
02-Apr-20	10,000,000	2019-2020
28-May-20	10,000,000	2019-2020
03-Jun-20	10,000,000	2019-2020
29-Jun-20	10,000,000	2019-2020
Total	120,000,000	
b. Development Grants		
Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
07-Nov-19	70,250,000	2019-2020
11-Dec-19	70,250,000	2019-2020
11-Dec-19	70,250,000	2019-2020
30-Jun-20	70,250,000	2019-2020
Total	281,000,000	
C. Development Grants		
Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
18-Dec-19	95,000,000	2019-2020
18-Dec-19	74,000,000	2019-2020
18-Dec-19	11,000,000	2018-2019
20-Jan-20	36,000,000	2019-2020
18-Jun-20	94,700,000	2018-2019
19-Jun-20	8,000,000	2018-2019
30-Jun-20	95,000,000	2019-2020
12-Jun-20	5,000,000	2018-2019
30-Jun-20	16,000,000	2019-2020
30-Jun-20	48,000,000	2019-2020
Total	482,700,000	
Grand Total	883,700,000	

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

Chief Manager Finance
LVSW/DA

Sign



Head of Accounting Unit
MWSI

Sign-----

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

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Report Date:

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Supplier Payment History Report

Page:

Supplier Type: All
Payment Start Date: 01-JUL-19
Payment End Date: 30-JUN-20

Supplier: LAKE VICTORIA SOUTH WATER SERVICES BOARD
Number: 2670

Site: KISUMU
Address: KISUMU, , 40100

Account Name	Payment Number	Payment Date	Payment Currency	Payment Amount	Functional Amount	Void Date
REC-MINISTRY	4565	13-AUG-19	KES	10,000,000.00	10,000,000.00	
REC-MINISTRY	4888	04-SEP-19	KES	10,000,000.00	10,000,000.00	
REC-MINISTRY	5246	02-OCT-19	KES	10,000,000.00	10,000,000.00	
REC-MINISTRY	5516	01-NOV-19	KES	10,000,000.00	10,000,000.00	
DEV-MINISTRY	10002650	06-NOV-19	KES	70,250,000.00	70,250,000.00	
DEV-MINISTRY	10002651	06-NOV-19	KES	70,250,000.00	70,250,000.00	
REC-MINISTRY	5887	06-DEC-19	KES	10,000,000.00	10,000,000.00	
DEV-MINISTRY	10002797	10-DEC-19	KES	11,000,000.00	11,000,000.00	
DEV-MINISTRY	10002798	10-DEC-19	KES	74,000,000.00	74,000,000.00	
DEV-MINISTRY	10002799	10-DEC-19	KES	95,000,000.00	95,000,000.00	
REC-MINISTRY	6124	23-DEC-19	KES	10,000,000.00	10,000,000.00	
DEV-MINISTRY	10003096	17-JAN-20	KES	36,000,000.00	36,000,000.00	
REC-MINISTRY	6403	07-FEB-20	KES	10,000,000.00	10,000,000.00	
REC-MINISTRY	6644	28-FEB-20	KES	10,000,000.00	10,000,000.00	
REC-MINISTRY	6870	01-APR-20	KES	10,000,000.00	10,000,000.00	
REC-MINISTRY	7115	27-MAY-20	KES	10,000,000.00	10,000,000.00	
REC-MINISTRY	7254	29-MAY-20	KES	10,000,000.00	10,000,000.00	
DEV-MINISTRY	10003727	11-JUN-20	KES	70,250,000.00	70,250,000.00	
DEV-MINISTRY	10003730	11-JUN-20	KES	5,000,000.00	5,000,000.00	
DEV-MINISTRY	10003930	16-JUN-20	KES	8,000,000.00	8,000,000.00	

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

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DEV-MINISTRY	10003931	16-JUN-20	KES	94,700,000.00	94,700,000.00
REC-MINISTRY	7391	26-JUN-20	KES	10,000,000.00	10,000,000.00
DEV-MINISTRY	10004541	30-JUN-20	KES	70,250,000.00	70,250,000.00
DEV-MINISTRY	10004575	30-JUN-20	KES	2,000,000.00	0.00
DEV-MINISTRY	10004531	30-JUN-20	KES	95,000,000.00	95,000,000.00
DEV-MINISTRY	10004561	30-JUN-20	KES	48,000,000.00	48,000,000.00
DEV-MINISTRY	10004540	30-JUN-20	KES	16,000,000.00	16,000,000.00
Site Total:				883,700,000.00	
Supplier Total:				883,700,000.00	
Report Total:				883,700,000.00	

*** End of Report ***

Page 2 of 2

Lake Victoria South Water Works Development Agency
Annual Reports and Financial Statements for the year ended June 30, 2020

