


REPUBLIC OF KENYA



*Enhancing Accountability*

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>DATE:</b> 19 SEP 2024	<b>DAY:</b> THURSDAY
<b>TABLED BY:</b>	HON. ROBERT PUKOSE MP
<b>CLERK AT THE TABLE:</b>	VIVIAN WAMBUI

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**CENTRAL RIFT VALLEY WATER WORKS  
DEVELOPMENT AGENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2023**





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**CENTRAL RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE, 2023**

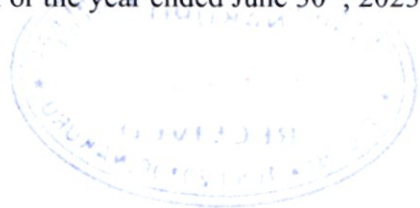


*Itare Dam Water Supply Project status*

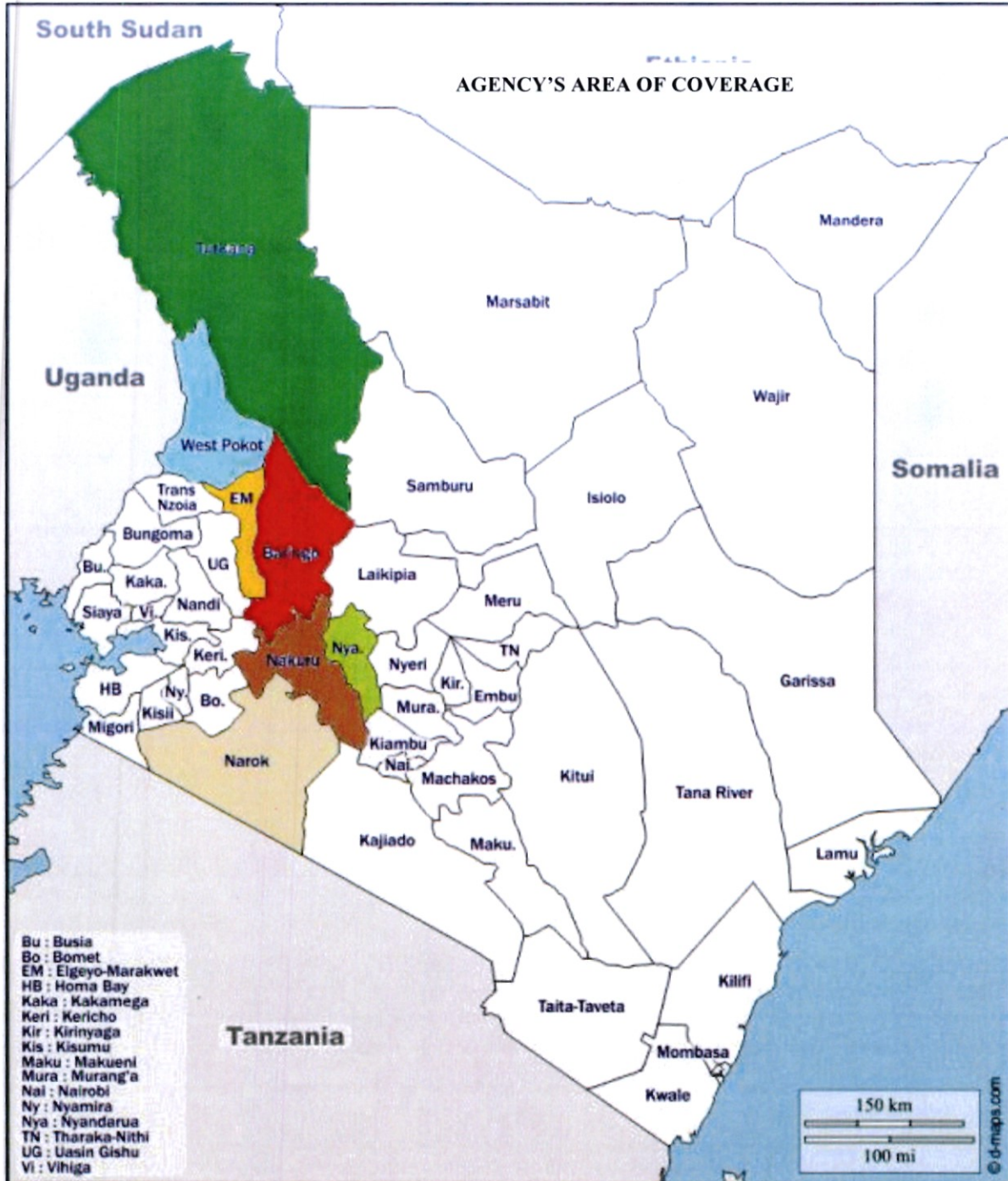
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**Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)**

Central Rift Valley Water Works Development Agency  
Annual Report and Financial Statements  
For the year ended June 30<sup>th</sup>, 2023



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## 1 Acronyms, Abbreviations and Glossary of Terms

GOK	The Government of Kenya.
MWSI	Ministry of Water Sanitation & Irrigation
CRVWWDA	Central Rift Valley Water Works Development Agency
LVNWWDA	Lake Victoria North Water Works Development Agency
LVSWWDA	Lake Victoria South Water Works Development Agency
NRVWWDA	North Rift Valley Water Works Development Agency
WSPs	Water Services Providers
KTSSWSSP	Kenya Towns Sustainable Water Supply and Sanitation Program
JICA	Japan International Corporation Agency
ADB/ ADf	African Development Bank
KfW	A German Government owned development bank.
PPP	Public Private Partnership
AGPO	Access to Government Procurement Opportunities
SPA	Service Provision Agreements.
BOD	Board of Directors
EMCA	Environmental Management and Coordination Act 1999



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## **2 Key Entity Information and Management**

### **a) Background information**

The Central Rift Valley Water Works Development Agency is a body corporate established under the Water Act, 2016. It was established through the Legal Notice number 4 of 7<sup>th</sup> February 2020 to be responsible for development of public water works in the Five (5) Counties of Nakuru, Nyandarua, Baringo, Narok and Laikipia. The region has a population of 5,043,440 as per the 2019 National census. The Agency is governed by a Board of Directors headed by a chairperson, appointed by the Cabinet Secretary, Ministry of Water, Sanitation and Irrigation, while Management is headed by the Chief Executive Officer who is also the secretary to the Board of Directors.

This report also covers the three (3) Counties of Turkana, West Pokot and Elgeyo Marakwet, for the projects that were ongoing before re-arrangement by the MWSI for the Agency to exclude them and include Laikipia for better management.

The Agency is required to keep proper books of accounts of its income, expenditure, assets and liabilities. Further, it is required that accounts of the Agency shall be audited and reported in accordance with the Public Finance Management Act, 2012. This report is therefore made pursuant to the Public Finance Management Act, 2012 for the year ended 30<sup>th</sup> June 2023.

### **b) Principal Activities**

The Agency develops and manages water services infrastructure and provides technical support to the County Governments in its area of jurisdiction and to the Cabinet Secretary in charge of Water Services. The Agency hands the completed water services infrastructure over to designated Water Services Providers for operating and day to day managing of water supply and sanitation services.

### **c) Key Management**

The Agency is governed at policy level by a Board of Directors drawn from various Government Ministries and private sector representing a wide cross section of stakeholders within the Agency's area with a mix of skills, age, qualifications, gender and experience. A representative from Inspectorate of State Corporations also attends the meetings for advisory purposes. The day to day management is carried out by a management team headed by the Chief Executive Officer.



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**d) Fiduciary Management**

The key management personnel who held office during the year ended 30<sup>th</sup> June, 2023 and who had direct fiduciary responsibility were:

1. CPA Douglas M. Kaibos      Ag. Chief Executive Officer
2. Ms Caren C Lagat              Manager Legal Services
3. Mr Charles Murage            Ag. General Manager – IDM
4. Mr William R Sakuda        Manager Supplies Chain Management
5. CPA Solomon K Wambugu    Manager Internal Audit
6. Mr Vincent Muruli Inganji    Ag.General Manager - Corporate Services

**e) Fiduciary Oversight Arrangements**

To ensure the efficient running of the Agency's operations, the Board of Directors have established Committees to meet and make recommendations to the Board who are mandated to provide policy direction for the entity on issues delegated to them. Each Committee has a Charter that guides its operations

**f) Registered Office and Contact Address**

Maji Plaza  
Prisons Road, Off Nakuru-Eldama Ravine Highway  
P O Box 2451-20100,  
**Nakuru**  
Telephone:    (254) 51 2213 557/(254) 71 8313 557  
E-mail:        [info@rvwsb.go.ke](mailto:info@rvwsb.go.ke) Website: [www.rvwsb.go.ke](http://www.rvwsb.go.ke)

**g) Bankers**

KCB Bank  
Kenyatta Avenue Branch,  
P O Box 18-20100  
**Nakuru**

**h) Independent Auditors**

Auditor General,  
Office of the Auditor General,  
Anniversary Towers, University Way,  
P.O. Box 30084 GOP 00100,  
**Nairobi.**



**i) Principal Legal Adviser**

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






### 3 The Board of Directors

Director's passport-size photo and name, and key profession/academic qualifications	A concise description of each Director. The date of birth, key qualifications and work experience, Indicating whether the director is independent or an executive director and which committee of the Board the director chairs where applicable.
<p>1.</p>  <p>Hon. Samuel Mathenge Ndiritu            Bachelor of Construction Management</p>	<ul style="list-style-type: none"> <li>➤ Born 1961</li> <li>➤ Non-executive Chairman of the Agency</li> <li>➤ Over 35 years of experience in the water sector in various capacities.</li> <li>➤ Previously served as a member of the Parliamentary Committee on Environment and Chairman to the Water Sub-Committee.</li> <li>➤ Former member of Parliament Gilgil Constituency.</li> <li>➤ Appointed 31<sup>st</sup> May 2023.</li> </ul>
<p>2.</p>  <p>Hon. DR Daniel K. Tuitoek</p> <ul style="list-style-type: none"> <li>➤ Doctorate in Water Resources Engineering</li> <li>➤ Masters in Engineering</li> <li>➤ BSc Civil Engineering.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Born 1959</li> <li>➤ Independent Director</li> <li>➤ Chair Technical Services Committee</li> <li>➤ Over 25 years' experience in Engineer.</li> <li>➤ Previously served as Deputy Vice Chancellor Kabarak University and senior lecturer Egerton University.</li> <li>➤ Former Member of Parliament Mogotio Constituency.</li> <li>➤ Appointed 31<sup>st</sup> May 2023.</li> </ul>



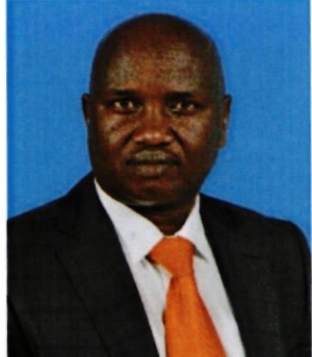


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<p>3.</p>	 <p>Hon. Letulal Ole Masikonte</p>	<ul style="list-style-type: none"> <li>➤ Born 1961</li> <li>➤ Independent Director</li> <li>➤ Chair Finance and Corporate Services Committee.</li> <li>➤ Previously as the Chairman of Narok Water and Sanitation Company.</li> <li>➤ Over 25 years' experience in leadership and organizational transformation from local to National Government.</li> <li>➤ Community leader</li> <li>➤ Appointed 31<sup>st</sup> May 2023.</li> </ul>
<p>4.</p>	 <p>DR John K Kirui</p> <ul style="list-style-type: none"> <li>➤ Doctorate in Human Resource Management</li> <li>➤ Masters in Human Resources</li> <li>➤ Bachelor in Education</li> </ul>	<ul style="list-style-type: none"> <li>➤ Born 1962</li> <li>➤ Independent Director</li> <li>➤ Chair Audit and Governance Committee</li> <li>➤ Over 25 years of experience educationist.</li> <li>➤ Previously Served as Chief Officer County Government of Kericho and part time Lecturer Kabianga, Kisii and JKUAT universities.</li> <li>➤ Researcher in transformational leadership</li> <li>➤ Motivational speaker</li> <li>➤ Appointed 31<sup>st</sup> May 2023.</li> </ul>
<p>5</p>	 <p>Ms Faith W Wachira</p> <ul style="list-style-type: none"> <li>➤ Bachelor of Arts in Sociology</li> <li>➤ Post Graduate Diploma .....</li> </ul>	<ul style="list-style-type: none"> <li>➤ Born 1982</li> <li>➤ Independent Director</li> <li>➤ Chair Compliance, Strategy and Resource Mobilization Committee</li> <li>➤ Previously served. in the banking industry.</li> <li>➤ Business lady</li> <li>➤ Community leader.</li> <li>➤ Appointed 31<sup>st</sup> May 2023.</li> </ul>





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<p>6</p>  <p>Mr Henry Mutwiri</p> <ul style="list-style-type: none"><li>➤ Alternate to the CS/The National Treasury MBA Finance Option Bcom (Business Administration)</li></ul>	<ul style="list-style-type: none"><li>➤ Born 1971</li><li>➤ Over 27 years career in public service</li><li>➤ Currently Assistant Director Investment – The National Treasury.</li></ul>
<p>7</p>  <p>Mr. Chrysosom Njeru</p> <ul style="list-style-type: none"><li>➤ Alternate to the CS/Ministry of Water, Sanitation and Irrigation</li></ul>	<ul style="list-style-type: none"><li>➤ Born 1979</li><li>➤ Wealth of experience in public service.</li></ul>
<p>8.</p>  <p>CPA Douglas M. Kaibos MSc. (Project Planning &amp; Management) Bachelor of Business Administration (Finance Option) Registered Member-ICPAK</p>	<ul style="list-style-type: none"><li>➤ Ag. Chief Executive Officer</li><li>➤ Appointed on 26<sup>th</sup> September 2023, the former Chief Executive Officer Eng Samuel K Oruma was sent on Compulsory Leave effective same date.</li></ul>





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#### 4 Management Team

key manager's passport-size photo, and profession/academic qualifications	The main area of responsibility
<p>1</p>  <p>CPA Douglas M. Kaibos MSc. (Project Planning &amp; Management) Bachelor of Business Administration (Finance Option) Registered Member-ICPAK</p>	<ul style="list-style-type: none"><li>➤ Ag. Chief Executive Officer</li><li>➤ Appointed on 26<sup>th</sup> September 2023, the former Chief Executive Officer Eng Samuel K Oruma was sent on Compulsory Leave effective same date</li></ul>
<p>2</p>  <p>Eng. Charles Murage Bachelor of Technology, Civil Engineering Higher Diploma Water Engineering Diploma Water Engineering &amp; Registered with EBK- Graduate Engineer</p>	<ul style="list-style-type: none"><li>➤ Ag. General Manager – IDM</li></ul>
<p>3</p>  <p>Ms Caren C. Lagat Bachelor of Laws (LLB) Diploma in Law</p>	<ul style="list-style-type: none"><li>➤ Manager Legal Services</li></ul>



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Registered member LSK & Advocate of the High Court	
<p>4</p>  <p>Mr William R. Sakuda Bachelor of Science MBA CPA, Diploma in Purchasing &amp; Supplies and Registered member-KISM</p>	<p>➤ Manager Supplies Chain Management</p>
<p>5</p>  <p>Mr Solomon K. Wambugu. MSC BCOM CPA &amp; Registered Member IIA, ICPAK, &amp; ISACA</p>	<p>➤ Manager Internal Audit</p>
<p>6</p>  <p>Mr Vincent M. Inganji MBA Strategic management BA Economics and Mathematics</p>	<p>➤ Ag.General Manager – Corporate Services</p>



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## **5 Chairman's Statement**

On behalf of the Board, it gives me pleasure to present to you the Agency's Annual Report and the Financial Statements of the Central Rift Valley Water Works Development Agency for the year ended 30<sup>th</sup> June, 2023.

The agency has detailed initiatives and interventions geared towards planning, developing and delivering efficient and reliable water and sanitation infrastructure to the satisfaction of all stakeholders in line with our mandate.

The Agency continued to implement its mandate to contribute to the achievement of the Water Sector objectives in its area of jurisdiction. This is geared towards the achievement of the Kenya Vision 2030, the African Agenda 2063 and the United Nations Sustainable Development Goals Agenda through development and management of the water and sanitation services infrastructure.

The Constitution of Kenya recognizes access to water as a basic Human Right to all citizens. The Agency is aware that this presents a challenge to all players in the sector to effectively respond and play their roles. In this regard, the Agency has ensured that all its strategies are linked to Kenya Government's priorities as outlined in the Vision 2030, Medium Term Plans, the Big 4 Agenda, the annual approved budget, the Sector Performance Standards and other National policy documents.

This Report is distinctive in the sense that it marks the first year of the implementation of the Strategic Plan 2021-2026 thereby presenting a good opportunity to effectively deliver on the mandate by undertaking our activities in a structured manner. This also led to a review of several policy documents included are the Human Resources Management Policy & Procedures, Finance Policy and Procedures, Internal Audit Quality Assurance and Improvement Programme, Road safety mainstreaming, the Alcohol and Drug Abuse, among others. In addition, the year marked the implementation of the Enterprise resource planning to ease its operations.

The Agency signed the 18<sup>th</sup> cycle Performance Contract and implemented the targets which were set out. Included is the implementation of the Presidential Directives, Corporate Social Responsibility initiatives, in social welfare, environment conservation, education, sports and towards building capacity. Projects to be considered for future development were identified and the concept notes summaries done. As the World continued to battle the uncertainties with



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respect to effects of COVID-19 Pandemic, the Agency provided support to Government Business Continuity as part of the Coronavirus response measure by leverage on ICT

Among other challenges was the Kenya Revenue Authority had on several occasions frozen and withdrew funds budgeted for implementation of works and for payment of works already executed but certification at various stages of approval. This has negatively affected project implementation and brought about escalation on pending bills.

Further, the Agency on behalf of the MWSI acting on written instructions from 2019 to date, implemented some programmes whose funding have not been disbursed as indicated on the instructions.

The Agency in collaboration with the Ministry of Water, Sanitation & Irrigation, Development Partners and other Stakeholders have implemented various projects across its expansive area most of which is arid and semi-arid lands (ASAL). Efforts to provide portable water in these areas is a costly undertaking and requires increased budgetary allocations to ensure water coverage targets are met by all sector players. Accordingly, the Agency will continue implementing, monitoring and evaluation framework that tracks the implementation of the its corporate initiatives to achieve intended objectives.

**Hon Samuel Mathenge Ndiritu**

**Chairman**

**Date:** 26/2/2024



## **6 Report of the Chief Executive Officer**

The Water Act, 2016 in section 68 provides the functions of the Agency as follows:

1. Undertake development, maintenance and management of National Public Water Works;
2. Hand over the water works to designated Water Services Providers for operation and management;
3. Provide water services when ordered by the Regulatory Authority (Reserve Capacity of the National Government on Water Services Provision);
4. Provide technical and capacity building services to County Governments and Water Services Providers upon request; and
5. Provide technical support to the Cabinet Secretary.

In order to perform its new mandate, the Agency updated its Strategic Plan to enable smooth transition from the Water Act, 2002 to Water Act, 2016. It aimed at attaining the Sustainable Development Goals for the Water and Sanitation Sub-Sector through implementation of the Vision 2030 Water Projects and other Government priority projects.

The Strategic Plan also set out a framework to ensure a seamless handing over of water services provision to the respective County Governments.

The Agency's Strategic Plan has set six (6) strategic objectives as follows:

1. To mobilize and utilize Kshs. 243 Billion for development of water and sanitation infrastructure by 30<sup>th</sup> June 2026.
2. To develop prioritized infrastructure for enhanced access to water and sanitation services.
3. To develop and implement mechanisms for management of the developed water and sanitation infrastructure.
4. To continually improve internal capabilities for efficient service delivery.
5. To mainstream national cross cutting issues for a cohesive and just society.
6. To achieve 100% customer satisfaction

This report is therefore based on the above strategic objectives and illustrates the achievements of the Agency during the year ended 30<sup>th</sup> June 2023.





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During the year, the Agency's achievements included, sensitization of the Board and management on the Strategic Plan 2021/22 to 2025/26, training of both the staff and management on Risk Management Framework and a review of the Finance Manual.

The acquisition of an Enterprise Resource Planning system documentation is ongoing. The consultant was procured and begun the installation of the ERP system and end user training stood at 98% complete.

#### **A Financial Statements**

During the year under review, the recorded total income is Kshs 700.92 Million as compared to Kshs 1,113.70 Billion previous year. Expenditure for the period under review was Kshs 414.54 Million, as compares with Kshs 912.14 Million previous year. Further, the Agency made payments to the National Treasury on account of a long term loan of Ksh 62.49 Million as compared to Ksh 72.42 Million previous year. The Agency's Assets base is Ksh 9.87 Billion compares with Kshs 9.62 Billion previous year.

#### **B Quality Management Systems**

The Agency is in the process of transiting from ISO 9001:2008 to ISO 9001:2015 Standard.

#### **C Staff Competency Development**

During year under review several trainings were carried out in various competencies; professional staffs were facilitated to attend professional seminars and workshops to enhance their career development. Some of the seminars attended are those for engineering, accounting, supplies chain management, human resources, strategic leadership development course, team building, pre-retirement training, secretarial management training, cross cutting issues workshop. To complement the work force gaps, the Agency engaged a four (4) youths on internship programme and thirty six (36) students on attachment. The Agency received a reviewed Salary Structure from the Salaries and Remuneration Commission. The report was adopted by the board and has been implemented.

#### **D Performance contracting**

During year under review, the Agency signed the 19<sup>th</sup> cycle Performance Contract and implemented the targets which were set out on Financial Stewardship and Discipline, Service Delivery, Core Mandate, implementation of Presidential Directives, Access to Government Procurement Opportunities (AGPO), Promotion of Local Content in Procurement and Cross-Cutting issues. The



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Agency accomplished all the activities leading to the achievement of the set targets.

## **E Projects being implemented**

### **1) Chemususu Dam Water Distribution Project**

Chemususu Dam Water Distribution Project is one of the medium dams proposed under Kenya's Vision 2030 and the Big four Agenda in Baringo and Nakuru Counties. It is located 80 KM North West of Nakuru town and about 15 KM west of Eldama Ravine of Baringo. This is a Government of Kenya wholly funded project. The dam was constructed by National Water Conservation & Pipeline Corporation. It is a 48M high rock fill dam with a capacity of 12 Million M<sup>3</sup>.

The implementation of the distribution network is carried out by the Central Rift Valley Water Works Development Agency and is estimated to cost KShs 3.5 Billion. The scope of works includes; raw water main, treatment works, treated water gravity mains, distribution system mains and storage reservoirs. Other components include; supply of operation and maintenance equipment and rehabilitation of existing Chemususu water supply treatment. It will serve more than 300,000 people and their livestock in Eldama Ravine and Mogotio Sub Counties of Baringo County and parts of Rongai Sub County of Nakuru County. The project duration was affected by the COVID 19 pandemic that enabled an extension approval of six months from June 2020 to December 2020.

The overall project implementation is at 94% (Baringo County at 99% and Nakuru County at 72%).

A further extension is under review.

### **2) Naivasha Industrial Park Water Supply Project**

The Agency engaged with the Ministry of Industrialization, which spearheaded the development of the Special Economic Zone and Inland Container Depot for identification of locations and sites for the boreholes. The project involves the supply of sufficient water to the Special Economic Zone and Inland Container Depot to meet the water demand and to support the Big 4 Agenda of the Government. The project has two components;

#### **a) Short term intervention**

The aim was to develop Water Sources capable of supplying 10,000m<sup>3</sup>/day as a short-term measure. Water supply from 25 Boreholes to be drilled in Naivasha and Narok areas. Investigations and feasibility studies were completed in the 25 sites. During the year under review, the project was completed and is at defect liability period.



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**b) Long term intervention**

Malewa Multi-Purpose Dam and 20,000m<sup>3</sup>/day Water Supply. This project is being undertaken under the Kenya climate Resilience Project at the Ministry Headquarter. The status is that the project feasibility study was completed.

**3) Kenya Towns Sustainable Water Supply and Sanitation Program**

These projects are funded by African Development Bank (AfDB) with an estimated cost of Ksh 1.36 Billion. The programme is to improve management of Water Supply and Sewerage Services various urban centres in Kenya. The projects comprise of construction of sewerage systems in Narok town of Narok County, Ol'kalou town of Nyandarua County, Kapenguria and Chepararia of West Pokot County, Eldama Ravine of Baringo County and a Multi -purpose dam project in Beregei and Amaya of Baringo County. The Projects under this Programme include water supply projects and sewerage projects in the CRVWWDA, Lake Victoria North Water Works Development Agency (LVNWWDA) Lake Victoria South Water Works Development Agency (LVSWWDA) and North Rift Valley Water Works Development Agency (NRVWWDA) areas of jurisdiction and the CRVWWDA is the implementing agency.

During the year under review, the programme is under various level of implementation despite challenges of delayed approvals of master list for tax exemptions and delayed payments occasioned by lack of appropriation of budget by the parent ministry. Most have been approved with measures put in place to accelerate work schedule. The overall Programme implementation is at 82%.

**4) Itare Dam Water Project**

This is one of the flagship projects identified and prioritised by the Government of Kenya under the Kenya's Vision 2030 for Nakuru and parts of Kericho County. The estimated project cost is Kshs. 34 Billion. It is funded by the Government of Kenya through Italian funding agency.

The project will supply 100,000m<sup>3</sup> of water per day by gravity to serve over 1,000,000 people in Nakuru town and three small towns in Kericho County along the pipeline route. The project components include construction of a dam, water treatment plant, pipeline, bulk transfer tunnel and storage tanks in and around Nakuru town.

The contractor suspended works in September, 2018 alleging delayed payment. They did not resume work as they were experiencing what they called 'financial constraints' back in Italy. This issue was taken up with the highest authorities and various options were considered in liaison with



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the National Treasury, the Ministry of Water, Sanitation & Irrigation and the lending agencies. The Agency demanded from the contractor a refund of the advance payment and the performance guarantee as provided for in the contract before finally terminating on 4<sup>th</sup> February 2020. The overall progress remained at 27%. The Consultant was tasked to develop a budget of the remaining works in lots so as to assist in considering the best option to jump start the project. The report on budget estimates for deploying the Special Installation Police Unit (SIPU) and a security firm to complement and guard the installation from vandalism and theft and for the ultimate completion of the stalled project was submitted to Ministry of Water, Sanitation and Irrigation, the Agency awaits a response.

#### **5) Kirandich Phase II Water Project**

This project is being implemented with a loan amounting to Ksh 1.80 Billion from the Government of Italy. The project components include expansion of water supply to Kabarnet town, construction of a sewerage system and generation of hydro-electric power to reduce electricity expenses in the running of the scheme. The implementation of the project commenced in December 2018. Contractor mobilized to site, setting up of camp site. The addendum for extension was granted for extension of time to 11<sup>th</sup> October 2022 to resume works. The execution of works was not achieved since the contractor was not responsive until the contract lapsed on 11<sup>th</sup> October 2022. The Agency communicated this to the parent ministry and requested for consideration of time extension of 18 months through addendum 3 and for further submission to the Italian Agency for Development Cooperation for issuance of a 'No Objection'. Overall completion rate remained 15%.

#### **6) Rural Water Supply Borehole Project Baringo County**

The projects objective is drilling and equipping twenty two (22) boreholes in four (4) Sub Counties of Baringo County under phase II. The project was funded by Japan International Corporation Agency (*JICA*) and the Government of Kenya. The works is estimated to cost of KShs.371 million project. During the year under review, 15 projects were completed and 7 Contract terminated due to unsuccessful boreholes in terms of water quality and yield. Alternative sources for 2 of the unsuccessful boreholes are under procurement.

#### **7) Lake Nakuru Biodiversity Conservation Project**



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This project involves improvement of waste water management, solid waste management and drainage in Nakuru town to conserve the biodiversity of the Lake Nakuru ecosystem. The project is funded by KfW a German Agency and is estimated to cost for feasibility study is Ksh 100 Million. During the period under review the feasibility studies and the appraisal of the project were completed. The project was approved for construction and the funding negotiations finalized. The final detailed designs for water supply reports were completed and preparation of tender documents is ongoing. The interim design on waste water submitted and reviewed.

## **F Projects Under Planning and Design**

### **a) PESI Dam Water Project Nyandarua County**

The objective of PESI dam is to provide domestic and industrial water supply. The estimated cost is Kshs.20 Billion. The proposed dam is to be constructed within PESI Settlement scheme in Nyandarua County. The project will benefit about 100,000 people in all the areas earmarked for supply. The Agency is procured a consultant to undertake feasibility study review, design and preparation of tender documents. The consultancy works commenced and the inception report submitted to the parent ministry. The preliminary designs are complete. The project is being considered for funding under PPP.

### **b) Malewa Dam Water Project Nyandarua County**

The objective of the dam is to provide domestic and industrial water supply. The estimated cost is Kshs.20 Billion. The proposed dam is to be constructed in a settlement area occupying parts of Nyandarua and Nakuru Counties at Malewa River. The population to benefit is 687,000. The feasibility studies were finalized and the project is being considered for funding under PPP.

### **c) Kabazi Dam Water Project Nakuru County**

The objective of the dam is to provide domestic water supply. The proposed dam shall be constructed in Kabazi area. The estimated cost is Kshs. 405 Million. The project is recommended for funding for design and preparation of tender document to enable the preparation of proposal for funding. The target population is 109,599. During the year under review the feasibility studies were completed.

### **d) Upper Solai Dam Water Project Nakuru County**

The objective of the dam is to provide domestic water supply. The proposed dam is to be constructed in a settlement area in Nakuru County. The estimated Cost is Kshs.6 Billion. The target



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population is 110,041. The Agency undertook the feasibility study. The project is being considered for funding under PPP.

**e) Chemolingot Dam Water Project Baringo County**

The objective of the dam is to provide domestic water supply. The proposed dam shall be constructed in Koste area. The estimated cost is Kshs.109 Million. The project is recommended for funding for design. The feasibility study for dam source were completed.

**f) Narosura Dam Water Project Baringo County.**

The objective of the dam is to provide adequate water supply. The estimated Cost is Kshs.389 Million. The target population is 65,000. The project is recommended for funding for design and preparation of tender document to enable the preparation of proposal for funding.

**g) Naivasha Town Sewerage Project Nakuru County**

The project is to ensure safe disposal of waste water into the lake in acceptable quality. The estimated project cost is Kshs 3 Billion. Naivasha town is a fast-growing town. The town is also developing in terms of providing facilities to the newly developed Special Economic Zone and Inland Container Deport. The town has old sewerage facilities that need rehabilitation and construction of new system to meet the demand. The target population is 690,000. Concept notes prepared.

**h) Gilgil Sewerage Project Nakuru County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1.5 Billion. Gilgil town is one of the areas targeted by the proposed Malewa dam. The town does not have any sewerage facilities. The target population is 138500. Concept notes prepared

**i) Molo Sewerage Project Nakuru County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1 Billion. Molo town is among the areas to benefit from Itare Dam Water Project and hence requires ways of disposing the waste water. The town does not have any sewerage facilities. The estimated project duration is 18 months and the target population is 22000. Concept notes prepared

**j) Keringet Olenguruine Kiptagich Water and Sewerage Project Nakuru County**

The project is to ensure adequate water supply and safe disposal of waste water. The target is to serve communities living in the upper Itare Dam area. The estimated project cost is Kshs 2.5 Billion. The estimated project duration is 36 Months. The target population is 245500. Concept notes prepared



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**k) Subukia Water Supply & Sewerage Project Nakuru County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1.5 Billion. Subukia town does not have a reliable water supply and requires improvement. The town does not have any sewerage facilities. The estimated project duration is 18 months. The target population is 21000 ultimate. Funding proposal submitted.

**l) Njabini Sewerage Project Nyandarua County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 700 Million. Njabini town is at the Southern part of Nyandarua County. The town does not have any sewerage facilities. The estimated project duration is 18 months. The target population is 15000. Funding proposal submitted.

**m) Mairo Inya Sewerage Project Nyandarua County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 800 Million. Mairo Inya town is along Nyahururu-Nyeri road serving parts of Nyandarua and Laikipia Counties. The town does not have any sewerage facilities. The estimated project duration is 18 months with a target population of 19000. Funding proposal submitted.

**n) Emining Sewerage Project Baringo County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 500 Million. Emining town is a fast-growing area more so with water availability from Chemususu Phase II Water Project. The town does not have any sewerage facilities and estimated project duration 18 months. The target population is 15000. Funding proposal submitted.

**o) Marigat Water Supply and Sewerage Project Baringo County**

The project is to ensure adequate water supply and safe disposal of the waste water. It is estimated to cost Kshs 1.6 Billion. Marigat town does not have any sewerage facilities while the current water supply is unable to meet the current water demand. The estimated project duration is 36 months and the target population 38,000. The preparation of the feasibility studies and engineering designs is ongoing. Funding proposal submitted.

**p) Mogotio Sewerage Project Baringo County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 700 Million. Mogotio town is a fast-growing area more so with water availability from Chemususu water project. The town does not have any sewerage facilities. The estimated project duration is 18 months. The target population is 19000. Funding proposal submitted.



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**q) Rumuruti Water Supply and Sewerage Project Laikipia County**

The project is to ensure adequate water supply and safe disposal of waste water. The estimated project cost is Kshs 2 Billion. Rumuruti town does not have any sewerage facilities while the current water supply is unable to meet the current water demand. The estimated project duration is 36 months and the target population is 38,000. The water supply component is being considered for funding under PPP.

**r) Suswa Sewerage Project Narok County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 500 Million. Suswa town is currently the Standard Gauge Railway terminus town. The inland Container Depot and Special Economic Zone are close to the town. The town does not have any sewerage facilities. The estimated project duration is 18 months and the target population is 15000. Concept notes prepared

**s) Kilgoris Sewerage Project Narok County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 800 Million. Kilgoris town does not have any sewerage facilities. The estimated project duration is 18 months and target population is 23000. Mulot, Kilgoris and Lolgorian benefiting on water supply under ADB funding. Concept notes prepared

**t) Lolgorian Sewerage Project Narok County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 600 Million. Lolgorian town does not have any sewerage facilities. The estimated project duration is 18 months. The target population is 12500. Mulot, Kilgoris and Lolgorian benefiting on water supply under ADB funding. Concept notes prepared

**G Projects funded under emergency interventions**

The Agency is implementing several small rural water supply projects under the Equalization program, Drought Mitigation program, Public Priority projects, other Strategic Initiative water supply projects like Universal Health Coverage, Olkalou Boreholes water project, Small Pans and Dams programme and Water for Schools programme, National Water Harvesting & Ground Water Exploration, Cross County Bulk Water & Sanitation Services Improvement Programme. These are expected to boost supply in the rural areas. These projects include borehole development, rehabilitation of water supplies and associated storage works, laying of new pipelines and





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construction of small dams in strategic areas and rain water harvesting among others. Most of the projects commenced and stands at various stages of completion.

#### **H Engagement with the Counties**

The provision of water services is a devolved function of the County Governments and it became necessary to harmonize the Agency's water activities with those of the Counties. In addition to participating in the Water Sector Transition and Reforms – Consensus Building Forums with the Counties organized by the Ministry of Water Sanitation and Irrigation. The Agency has engaged the Counties to capacity build them in the area of management of water service provision including monitoring and developing management tools to be used, constituting of Water Service Providers boards and recruitment of its directors, and preparation and monitoring of Service Provision Agreements (SPA) with WSPs and other governance issues.

The Agency has remained on course in its strategy to develop and enhance water supply and sanitation infrastructure in its area of jurisdiction.

The Board of Directors provided effective policy direction and was at hand to work with management while implementing policies into water and sanitation infrastructure decisions. The success achieved in realizing completed, ongoing and planned projects has also been due to the collaboration between the Agency's staff and its stakeholders.

The compounded efforts enabled us overcome surmountable challenges that came our way during the year.

We remain committed to our mission '**To plan, develop and deliver efficient and dependable water infrastructure**'

My appreciation to our partners, stakeholders, the Board of directors and members of staff for the efforts put in throughout the year and let us continue to pull together to ensure every Kenyan the right to sustainable Water and Sanitation Services.

**CPA Douglas K Murei**

**Ag.Chief Executive Officer**

**Date** 26/2/2024



## 7 Statement of Performance against Predetermined Objectives for the F/Y 2022/2023

The Central Rift Valley Water Works Development Agency has five (5) pillars and objectives within its strategic plan for the FY 2021/2022 – 2025/2026. They are as follows:

- Pillar 1: Effective resources mobilization and prudent utilization.
- Pillar 2: Enhancement of water and sanitation infrastructure coverage.
- Pillar 3: Management of Agency assets.
- Pillar 4: Enhancement of institutional framework and capacity.
- Pillar: 5: Customer and stakeholder management.

The Agency develops its annual work plans based on the above five (5) 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 2022/2023 for its five (5) pillars, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Effective resources mobilization and prudent utilization	To utilize KShs. 4,416,000,00 allocated	Resource mobilization policy & strategy	Develop a Resource mobilization policy & strategy	Terms of reference for consultancy services developed.
	To mobilize KShs. 32.687 billion by 30th June 2023.	Updated data base of project proposals	Prepare and update a data base of project proposal.	Data base updated with 14 project feasibility study reports.
		Medium Term Expenditure Framework and Budget for 2022/23 to 2024/25.	Prepare the Agency's MTEF and budget.	The Agency's MTEF and budget were prepared.
		No. of trained staff.	Train and build capacity on planning, proposal writing, resource mobilization and lobbying.	
		Finance and procurement manuals	Develop and implement the Agency's finance and procurement policies and procedures manuals.	The Finance and procedures manual policy developed.



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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Enhancement of water and sanitation infrastructure coverage	To develop prioritized infrastructure for enhanced access to water and sanitation services.	<p>No of concept notes developed.</p> <p>No. of project planning reports generated.</p> <p>No of sanitation and/or sewerage projects implemented.</p> <p>Commission and hand over completed water supply and sanitation projects.</p>	<p>Develop water supply infrastructure projects concept notes</p> <p>Carry out project planning, feasibility studies, survey, designs and prepare tender documents.</p> <p>Implement the water supply projects as budgeted for.</p> <p>Implement sanitation and sewerage projects No. of commissioned projects within timelines.</p>	<p>6 No. projects concept notes prepared.</p> <p>14 project feasibility study reports prepared.</p> <p>Chemusunu Dam Water Distribution 94%, Kenya Towns Sustainable Water Supply and Sanitation Programme 82%, Lake Nakuru Biodiversity Conservation Project on preparatory stages, Kirandich phase II no progress, Naivasha Industrial Park Water Supply Project was completed, Kaptumo Water Supply Project to 85%, Kaboro Water Supply Project to 90%, Others projects completed include; 2 out of 14 Water for Schools, 8 out of 10 Water For Universal Health Coverage, 2 projects under Public Priority Programme, 1 out of 21 JICA, 1 out of 6. Cross County and 1 out of 11 National Water Harvesting and Ground Water Exploration</p> <p>Narok Town Sewerage Project was completed and Olkalou Town Sewerage Project implemented to 95.5%.</p>



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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Management of the Agency assets	To develop and implement mechanisms for management of the developed water and sanitation infrastructure.	<p>The number of stakeholder engagement.</p> <p>Number of secured project sites and properties.</p> <p>No. of WSPS engaged in Capacity building Up-to-date Asset register.</p>	Maintain an up-to-date asset register.	<p>Stakeholder engagements were held during project planning and implementation for the different projects under implementation e.g a forum to discuss the Lake Nakuru Biodiversity Water Project.</p> <p>10 Project sites were identified and secured for project implementation.</p> <p>Non-Revenue water and Laboratory equipment procured and issued to the WSPs, procured consultant to develop Business plans development for the 15No. WSPs under KTSWSSP.</p>
Enhancement of institutional framework and capacity	To continually improve internal capabilities for efficient service delivery.	<p>Completed Human Resource Management Policy and procedures manuals</p> <p>No of filled gaps</p> <p>No of staff trained.</p> <p>ISMS 27001:2013 certificate.</p> <p>Risk Management Policy &amp; Framework Completed.</p> <p>ERP implementation and No of staff trained.</p>	<p>Develop HR Management Policy.</p> <p>advertise and fill human resource gaps as per the manpower plan.</p> <p>Train and build capacity of employees for succession management.</p> <p>Develop risk Management Framework.</p> <p>Implement ERP system and Train staff on use of the ERP system.</p>	<p>The Human Resource Management Policy and procedures manuals developed.</p> <p>One gap was filled. Five advertised</p> <p>Professional staff were facilitated to attend seminars.</p> <p>Information Security Champions were trained.</p> <p>Risk Management Policy &amp; Framework was developed.</p> <p>Data and systems integrity availability, confidentiality and security, was maintained. 4 staff were trained on data protection.</p> <p>Staff trained on ERP System and the user manual was developed.</p>



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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Customer and stakeholder management	To mainstream national cross cutting issues for a cohesive and just society.	ESIA and RAP compliance report.  OSHA Compliance report	Comply with ESIA and RAP requirement.  Implement work safety requirements.	All projects have ESIA and RAP compliance report  OSHA requirement are being Complied with.
	To achieve 100% customer satisfaction.	Stakeholder engagement reports.  Annual reports on corporate branding and publicity  Complaint handling report	Implement stakeholders' engagement strategy.  Implement the corporate branding strategy  Implement complaints handling strategy	Stakeholder engagements have been undertaken on all initiatives of the Agency.  Corporate branding done to align the Agency's image within the institutional framework. All offices have been labelled as guided by the Brand Kenya Manual.  The third, fourth, fifth and sixth edition of the Newsletter was prepared and in the website.  All public complaints received were resolved as per the CAJ guidelines.



## **8 Corporate Governance Statement**

The Board of Directors of the Central Rift Valley Water Works Development Agency are appointed by the Cabinet Secretary, Ministry of Water, Sanitation & Irrigation from time to time for a term specified by regulations. They are drawn from some Government Ministries and private sector representing a wide cross section of stakeholders within the Agency's area with a mix of skills, age, qualifications, gender and experience.

They are given the responsibility of enhancing corporate governance practices to bring the level of governance in line with International Standards. The essence of good corporate governance practice is to promote and protect stakeholders' interests. They include the Government, Water Works Development Agencies, the Water Services Regulatory Authority, other Statutory Institutions, Water Services Providers, Development Partners, Communities and Water Consumers.

They exercise leadership, enterprise, integrity and judgment in directing the Board and acts in its best interest in a transparent, accountable and responsible way. The Agency is governed at policy level by a 5 (five) independent member Board of Directors, drawn from a cross-section of Stakeholders and 2 (two) number from the Government Departments of the National Treasury and the Parent Ministry of Water, Sanitation & Irrigation. A representative from Inspectorate of State Corporations attends the meetings for advisory purposes.

### **Board Committees**

To ensure the efficient running of the Agency's operations, the Board has established four standing Committees which meet and make recommendations to the Board on issues delegated to them. Each Committee has a Charter to guide its operations.

During the year under review the Board had the following Committees in place:

1. Finance and Corporate Services,
2. Technical Services,
3. Audit and Governance and
4. Compliance, Strategy and Resource Mobilization.



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In order to ensure that the Board's expenditure on meetings is within the approved budget, a calendar of the Board meetings is adhered to.

Conflict of interest is an agenda item in all Board meetings and a register is maintained for record purposes.

The Board of Directors are paid sitting allowance for every meeting attended as well as accommodation allowance while on Agency's duty as per Government guidelines. The Chairman is also paid a monthly honorarium.

A handwritten signature in blue ink, appearing to read 'S. Mathenge Ndiritu', written over a horizontal line.

**Hon. Samuel Mathenge Ndiritu**

**Chairman**

**Date:** 26/2/2024



## **9 Management Discussion and Analysis**

### **A Financial Statements**

During the year under review, the recorded total income is Kshs 700.92 Million as compared to Kshs 1,113.70 Billion previous year. Expenditure for the period under review was Kshs 414.54 Million, as compares with Kshs 912.14 Million previous year. Further, the Agency made payments to the National Treasury on account of a long-term loan of Ksh 62.49 Million as compared to Ksh 72.42 Million previous year. The Agency's Assets base is Ksh 9.87 Billion compares with Kshs 9.62 Billion previous year.

### **B Quality Management Systems**

The Agency is in the process of transiting from ISO 9001:2008 to ISO 9001:2015 Standard.

### **C Staff Competency Development**

During year under review several trainings were carried out in various competencies; professional staffs were facilitated to attend professional seminars and workshops to enhance their career development. Some of the seminars attended are those for engineering, accounting, supplies chain management, human resources, strategic leadership development course, team building, pre-retirement training, secretarial management training, cross cutting issues workshop. To complement the work force gaps, the Agency engaged a four (4) youths on internship programme and thirty six (36) students on attachment. The Agency received a reviewed Salary Structure from the Salaries and Remuneration Commission. The report was adopted by the board and has been implemented.

### **D Performance contracting**

During period under review, the Agency implemented the targets which were set out on the performance contract. The Agency accomplished all the activities leading to the achievement of the targets.

### **E Projects being implemented**

#### **1) Chemususu Dam Water Distribution Project**

During the period under review, the project implementation was done to 94%.

#### **2) Naivasha Industrial Park Water Supply Project**

The project has two components,





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**a) Short term intervention**

The Agency has completed investigations and feasibility studies in the 25 sites and has carried out detailed designs and drilling of Six (6) boreholes was completed and procurement for civil works commenced. The project was completed and stands at defect liability period.

**b) Long term intervention**

Malewa Multi-Purpose dam and 20,000M<sup>3</sup>/day water supply. This project is being undertaken under the Kenya climate Resilience Project at the Ministry Headquarter. The status is that the project is at the final feasibility study.

**3) Kenya Towns Sustainable Water Supply and Sanitation Program**

The progress in the Programme implementation was 82% during the period under review.

**4) Kirandich Phase II Water Project**

The Agency awaits approval of a No Objection as addendum 3 was forwarded for extension of time. Overall completion rate remained at 15%.

**5) Itare Dam Water Project**

During the period under review, overall completion rate remained at 27%. Works were suspended since September 2018. Budget of remaining works was forwarded to the line ministry for direction.

**6) Rural Water Supply Borehole Project - Baringo County**

During period under review, Civil works for 14 were completed.

**7) Lake Nakuru Biodiversity Conservation Project**

During the period under review the feasibility Studies and the appraisal of the project were completed and approved construction. . The final detailed designs for water supply reports were completed. The interim design on waste water submitted and reviewed.

**F Projects under Planning and Design**

**a) PESI Dam Water Project Nyandarua County**

The objective of PESI dam is to provide domestic and industrial water supply. The estimated cost is Kshs.20 Billion. The project will benefit about 100,000 people. The preliminary designs were completed during the year..

**b) Malewa Dam Water Project Nyandarua County**

The objective of the dam is to provide domestic and industrial water supply. The estimated cost is Kshs.20 Billion. The population to benefit is 687,000. The feasibility studies were finalized.



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**c) Kabazi Dam Water Project Nakuru County**

The objective of the dam is to provide domestic water supply. The estimated cost is Kshs. 405 Million. The target population is 109,599.

**d) Upper Solai Dam Water Project Nakuru County**

The objective of the dam is to provide domestic water supply. The estimated Cost is Kshs.6 Billion. The target population is 110,041. The Agency undertook the feasibility study and the procurement of a consultant to undertake feasibility study review, design and preparation of tender documents commenced.

**e) Chemolingot Dam Water Project Baringo County**

The objective of the dam is to provide domestic water supply. The proposed dam shall be constructed in Koste area. The estimated cost is Kshs.109 Million. The feasibility study for dam source were completed.

**f) Narosura Dam Water Project Baringo County.**

The objective of the dam is to provide adequate water supply. The estimated Cost is Kshs.389 Million. The target population is 65,000.

**g) Naivasha Town Sewerage Project Nakuru County**

The project is to ensure safe disposal of waste water into the lake in acceptable quality. The estimated project cost is Kshs 3 Billion. The target population is 690,000.

**h) Gilgil Sewerage Project Nakuru County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1.5 Million. The target population is 138500.

**i) Molo Sewerage Project Nakuru County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1 Billion. The target population is 22000.

**j) Keringet Olenguruine Kiptagich Water and Sewerage Project Nakuru County**

The project is to ensure adequate water supply and safe disposal of waste water. The target is to serve communities living in the upper Itare Dam area. The estimated project cost is Kshs 2.5 Billion. The target population is 245500.

**k) Subukia Water Supply & Sewerage Project Nakuru County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1.5 Million. The target population is 21000 ultimate



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**l) Njabini Sewerage Project Nyandarua County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 700 Million. The target population is 15000.

**m) Mairo Inya Sewerage Project Nyandarua County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 800 Million. The target population of 19000.

**n) Emining Sewerage Project Baringo County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 500 Million. The target population is 15000.

**o) Marigat Water Supply and Sewerage Project Baringo County**

The project is to ensure adequate water supply and safe disposal of the waste water. It is estimated to cost Kshs 1.6 Billion. The target population is 38,000. The preparation of the feasibility studies and engineering designs is ongoing.

**p) Mogotio Sewerage Project Baringo County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 700 Million. The target population is 19000.

**q) Rumuruti Water Supply and Sewerage Project Laikipia County**

The project is to ensure adequate water supply and safe disposal of waste water. The estimated project cost is Kshs 2 Billion. The target population is 38,000. The review of feasibility study commenced during the year under review.

**r) Suswa Sewerage Project Narok County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 500 Million. The target population is 15000.

**s) Kilgoris Sewerage Project Narok County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 800 Million. The target population is 23000.

**t) Lolgorian Sewerage Project Narok County**

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 600 Million. The target population is 12500.



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**G Projects funded under emergency interventions**

During the period under review, implementation of most of the projects was ongoing and stands at various stages of completion.

**H Engagement with the Counties**

During the year under review, the Agency supported Counties in its area of jurisdiction in identifying viable projects and collaborated while implementing projects funded under emergency interventions.



## **10 Environmental and Sustainability Reporting**

### **Our Commitment**

The Agency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 5 pillars: putting the customer/Citizen first, delivering services, and improving operational excellence.

Social and environmental responsibilities play an important role in our overall business practice, our Corporate Social Responsibility Policy guides all the Agency's Corporate Social Responsibility activities. The Agency takes note of the social and environmental responsibility while at the same time executing towards its mandate.

The activities provide our staff an opportunity to also make a contribution to the society.

The Board of Directors takes the overall responsibility at policy level for the continued development and implementation of appropriate social and environmental policies of the Agency.

Below is a brief highlight of our achievements in each pillar

#### **i. Sustainability strategy and profile**

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

1. Effective mobilization and prudent utilization of resource.
2. Development and Improvement of the water and sanitation infrastructure.
3. Management of the water and sanitation infrastructure developed.
4. Enhancement of institutional framework and capacity.
5. Customer and stakeholder management.

The Agency believes that pursuing impact in these five key result areas will enable achievement of sufficient and resilient infrastructure that will continually and sustainably support attainment of the universal access to improved water supply and sanitation services in its area of jurisdiction. This



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aspiration is aligned to the National initiatives under the Big Four Agenda which is attendant to the Vision 2030, the Sustainable Development Goal Number six of the United Nation and the Africa Unions Agenda 2063. We have done our best with considerable success in each of the key result areas and we remain committed to achieving the National Government's development goals by our short-term local interventions.

#### **ii. Environmental performance**

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

#### **iii. Employee welfare**

The Agency has a Human Resources Policy and Procedures Manual which stipulates the guidelines on recruitment and selection and further requires that a third (1/3) gender rule is adhered to in the recruitment process. A documented Human Resources and Administration Standard Operating Procedure manual also guides recruitment process. Further, the Agency has in place career progression guidelines and reviews the staffing levels of the institution from time to time. On safety and compliance with Occupational Safety and Health Act of 2007, (OSHA), An approved Health and Safety Policy is in place and is well adhered to and has been availed to all staff.

#### **iv. Market place practices**

##### **a) Responsible competition practice**

The Agency ensures that laws relating to The Constitution of Kenya 2010, The Public Procurement and Asset Disposal Act 2015 And Public Procurement and Asset Disposal Regulations 2020 are followed. The Agency strictly adopts the most preferred method of



procurement-Open tendering. Players in the market are given chances and level ground to compete. Information on the available tender opportunities is relayed to the bidders through the Public Procurement Information Portals, The Agency's website and the national newspapers to ensure universal and free access to information. To enhance fair competition, evaluation is based on set criteria favourable to all bidders, where price takes precedence without prejudicing on quality. Vulnerable groups are given preference to ensure they are not edged out of market and are therefore given a favourable and conducive business environment. The Agency ensures that specifications development does not give undue influence or reference to a particular product or service in the market that will give a competitive advantage to a particular supplier

**b) Responsible supply chain and supplier relations**

The Agency engages suppliers on sensitisations meetings to get their feedback on the provision of good, works and services. Pre-bid and site visit meetings are conducted to acquaint the suppliers with the minimum requirements. Successful bidders are engaged in a negotiation/pre-contract clarification meeting so as to be at par with the expectations of the Agency before contract execution. All this ensures an established good relationship between the Agency and the suppliers. Payment is made timely provided that all requirements are met. Suppliers are informed of the required documentations and processes and the contract implementation requirements before a payment request is raised. This ensures no delay in making for payment of goods supplied, works executed or services rendered.

**c) Responsible marketing and advertisement**

The agency ensures openness in advertising for its available opportunities. Informing on such opportunities is relayed in the easiest, understandable language and conveyed in the easily available mode of communication. The information is consistent to all clients. Queries raised by a particular bidder in relation to a procurement proceeding is clarified and the clarification is sent to all bidders in that respect. In preparation of product specifications, the Agency ensures that the approved standards used are universal and cannot be tied to a particular item or product in the market. The Agency has a dedicated email service for queries in relation to procurement matters



**d) Product stewardship**

**i. Environmental and Social Impact Assessments-**

The Agency undertakes ESIA on many of its projects to ensure that consumers and the environment are protected from harmful effects after undertaking projects. The assessment is carried out before commencement of the project to determine if and how the project will be undertaken with minimal negative impact on the environment and local community, the Agency strives towards the promotion of green procurement to reinforce with an aim of incorporating human health and environmental concerns into the search for high quality products and services at competitive prices

**ii. Non- Revenue Water Management-**

The Agency has prioritized the procurement of non-revenue equipment to increase efficiency and capacity to deal with leaks and other sources of non-revenue water. (NRWM) increases affordability and sustainability of water supply and sewerage services thus saving tax payers money while increasing value for money

**iii. Consumer and public participation and education-**

The Agency has made a lot of efforts to ensure public participation and education on most of its projects through the media and also by updating its official website to a more user-friendly interface. It has also done this by involving local authorities in most of its projects.

**iv. Performance Guarantees, Advance Payment Guarantees and Retention-**

The Agency has always complied by the law to ensure that performance guarantees are provided by service providers to safe guard against risks associated with non-performance, for contracts that require the payment of advance payment, the necessary advance payments are provided and retention money is kept over reasonable timelines to ensure that projects are undertaken according to the expected standards of quality and avoid exposure of the Agency to risks associated with poor quality of products .

**v. Promoting settlement of disputes through litigation-**

The Agency has always welcomed settlement of disputes through litigation to promote fairness and justice through legally accepted means. In line with this, the Agency increased efforts to investigate complaints and provide feedback to stakeholders in order to ensure compliance with statutory obligations





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**vi. Cooperation with other water sector institutions-**

The Agency has enhanced cooperation with other water sector institutions to promote efficiency, economies of scale and capacity building. This in turn has promoted service delivery within the water sector to the benefit of the consumers.

**v. Corporate Social Responsibility/Community Engagements**

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

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

**1. Nurturing of Sports and Education**

The Agency aims at nurturing local sports by supporting and participating in marathons, In the year under review, the Agency supported and participated in three regional marathons namely; Chemususu Dam Half Marathon, Eldama Ravine Half Marathon.

**2. Environmental Conservation**

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

During the year under review, the Presidential directive was allocation of 10% of the CSR budget in planting tree seedlings that can be distributed so as to achieve 10% forest cover by 2023. The Agency implemented the annual Tree Planting campaign targeting to plant more than 24,800 indigenous tree seedlings in a number of water catchments points within our area of jurisdiction. They include planting of 10,000 seedlings in Itare dam catchment area Nakuru County, 12,500 seedlings in Kipsogon Kisana Go-Green Tree Planting Initiative Baringo County and 200 ceremonial tree seedlings around Narok sewerage project Narok County.

**3 Health Care**

The Agency aims at supporting health care and health sectors within our areas of operation as part of supporting the Big 4 Agenda. The Agency ran non communicable diseases, eye checkup campaigns to ensure that the staff gets the relevant information. The Covid-19 pandemic called for all service government entities to support being a service entity; support in terms of provision of reliable and quality water. It also identified target groups and beneficiaries such as Schools,



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hospitals and Health Centres, Police Stations, Markets places and Churches that benefited from the distribution of plastic tanks, sanitizers and face masks. Approximately 200 plastic tanks that constituted 1000ltr, 1500ltr, 5000ltr and 10,000ltr were distributed.

**4 Boy- Girl Child support**

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

**5 Towards building capacity**

With the view of supporting the young people actively engaged in water improvement, the Agency took in 40 (forty) young graduates as interns and students on attachment attached to project engineers in the field and assigned various managers in the office for on The young participants then may have an opportunity to grow and to gain new ideas to enhance water related issues.

**Hon. Samuel Mathenge Ndiritu**

**Chairman**

**Date** 26/2/2024

**CPA Douglas K. Murei**

**Ag. Chief Executive Officer**

**Date** 26/2/2024



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## 11 Report of the Directors

The Directors submit their report together with the audited Financial Statements for the year ended 30<sup>th</sup> June 2023 which show the state of the Agency's affairs.

### i) Principal activities

The principal activities of the Agency are:

- 1 Undertake development, maintenance and management of national public water works;
- 2 Hand over the waterworks to designated water services provider for operation and management;
- 3 Provide water services when ordered by the Regulatory Board (Reserve Capacity of the National Government on Water Services Provision);
- 4 Provide technical and capacity building services to County Governments and Water Services Providers upon request; and
- 5 Provide technical support to the Cabinet Secretary.

### ii) Results

The results of the Agency for the year ended 30<sup>th</sup> June, 2023 are set out on pages 1-25

### iii) Directors

The members of the Board of Directors who served during the year are as shown on pages v to vii in accordance to the guidelines. They are appointed by the Cabinet Secretary for the line Ministry.

During the year 2022/2023, the following appointments were revoked of Amb. Boniface Kamanga Muhia who was the chairman and four directors Mr Julius Muthanwa, Mr David Kamau, Dr Cynthia Kipchilat and Lorna Timanoi respectively. Hon Samuel Mathenge Ndiritu was appointed the chairman with effect from 31<sup>st</sup> May 2023 alongside four directors namely DR Daniel K Tuitoek, Hon Letulal Ole Masikonte, DR John K Kirui and Ms Faith W Wachira. The chairman and its Board sent Eng Samuel K Oruma on compulsory leave to pave way for investigation with EACC and appointed CPA Douglas K. Murei on an acting capacity as the Chief Executive Officer.

### iv) Auditors

The Auditor General is responsible for the statutory audit of the Agency in accordance with the Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.

By Order of the Board

CPA Douglas K. Murei

Ag. Chief Executive Officer & Secretary to the Board.

Date 26/2/2024



## **12 Statement of Directors' Responsibilities**

The Board of Directors is required under the Water Act, 2016, the Public Finance Management Act, 2012, and the State Corporations Act to prepare Financial Statements in respect of that Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year and the operating results of the Agency for that year. The Board of 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 Board of 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 year ended on 30<sup>th</sup> June 2023. 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 Board of Directors accept responsibility for the Agency's Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012.

The Board of 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 year ended 30<sup>th</sup> June 2023, and of the Agency's financial position as at that date.



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The Board of Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's Financial Statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of 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 Central Rift Valley Water Works Development Agency's Financial Statements were approved on 26<sup>th</sup> September 2023 and signed on its behalf by:

**Hon. Samuel Mathenge Ndiritu**

**Chairman**

**Date** 26/2/2024

**CPA Douglas K. Murei**

**Ag. Chief Executive Officer**

**Date** 26/2/2024

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON CENTRAL RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2023**

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Central Rift Valley Water Works Development Agency set out on pages 1 to 21, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant

accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Central Rift Valley Water Works Development Agency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Water Act, 2016.

### **Basis for Qualified Opinion**

#### **1. Income**

The statement of financial performance reflects total income of Kshs.524,671,702 as disclosed in Note 8 to the financial statements. The following unsatisfactory matters were however noted: -

##### **1.1. Variances in the Revenue from Non-Exchange Transactions**

Included in the amount is revenue from non-exchange transactions of Kshs.463,497,077 which differed with bank statements and cash book amount of Kshs.639,747,082 resulting to unexplained variance of Kshs.176,250,005. Further, the revenue from non-exchange transactions amount of Kshs.463,497,077 is at variance with Ministry of Water and Irrigation transfers to the Agency of Kshs.161,000,000 and Kshs.509,875,000 on account of recurrent and development votes, respectively all totalling Kshs.670,875,000 by an unreconciled and unexplained variance of Kshs.207,377,932.

##### **1.2. Unsupported Revenue from Exchange Transactions**

Included in the total income amount are receipts from water quality test of Kshs.643,541, WSPs loan repayment of Kshs.54,289,608, rent of Kshs.245,008 and withholding VAT of Kshs.262,936 all totalling Kshs.55,441,093 whose supporting documents including invoices, receipts, loan statements, lease agreements for the leased-out properties, VAT claim applications and bank credit advices were not provided for review.

In the circumstances, the accuracy and completeness of total income amount of Kshs.524,671,702 could not be confirmed.

#### **2. Inaccuracies in the Property, Plant and Equipment Balance**

The statement of financial position and, as disclosed in Note 2 to the financial statements, reflects property, plant and equipment balance of Kshs.2,144,309,849 which includes land and buildings balance of Kshs.8,401,550. However, the land and buildings balance exclude undetermined value of land on which the Agency's offices and water assets are located. Further, and as reported previously, the Agency inherited the water distribution infrastructure owned in the past by the Sanitation and National Water Harvesting and

Storage Authority. Although Management uses the assets for revenue generation, the assets undetermined values have not been incorporated in the Agency's financial statements. Management attributed this to lack of formal transfer of the assets. However, no action has been taken to resolve the matter.

In the circumstances, the accuracy and fair statement of the reported property, plant and equipment balance of Kshs.2,144,309,849 could not be confirmed.

### **3. Failure to Capitalize Completed Works in Progress**

The statement of financial position and, as disclosed in Note 10 to the financial statements, reflects works in progress balance of Kshs.6,722,948,771. The balance includes amounts of Kshs.167,618,647 and Kshs.115,602,391 in respect of Iten-Sabor and Olkalou Town Water Projects respectively which, according to the Agency records, were completed and put into use several years back but had not been capitalized and updated in the assets register accordingly. As a result, the assets are yet to be depreciated and the revenues have not been marched with the expenses.

In the circumstances, the accuracy and fair statement of work in progress balance of Kshs.6,722,948,771 could not be confirmed.

### **4. Long Outstanding Receivables**

The statement of financial position and, as disclosed in Note 4 to the financial statements, reflects receivables and prepayments balance of Kshs.676,247,281. Included in the balance is Kshs.649,241,619 in respect of water service provider's administration fees which has been long outstanding with some balances dating as far back as financial year 2016/2017. The fees came into effect upon the enactment of the Water Act, 2002 which gave the Board the authority to collect administration fees from Water Service Providers. However, this role was reversed with the enactment of the Water Act, 2016 whose Section 131(2) provides that, the licensed Water Services Providers shall not be required to pay any fees for the use of public assets for the provision of water services other than the repayments of loans acquired for the development of those assets. Further, the Nakuru County Government vide letter ref NCG/S/NWS VOL.1/90 advised the service providers under its jurisdiction to suspend with immediate effect all license administration fee payable to the Agency. No provision for bad debts has been made in the financial statements.

In addition, the balance is net of prior year adjustments of Kshs.108,538,498 and Kshs.72,419,000 in respect of loan proceeds and repayments, respectively. However, the journal vouchers, loan agreements or statements and demand notices were not provided for review.

In the circumstances, the accuracy, recoverability and fair statement of receivables and prepayments balance of Kshs.676,247,281 could not be confirmed.



## **5. Unsupported Accounts Payable**

The statement of financial position reflects accounts payable balance of Kshs.717,800,860 which, as disclosed in Note 6 to the financial statements, includes balances of Kshs.336,013,622 and Kshs.286,557,621 in respect of general development creditors and general development retentions, respectively. However, the balances were not supported by ledgers and retentions bank account balances for the amounts held on behalf of various contractors.

In the circumstances, the accuracy and completeness of accounts payable balance of Kshs.717,800,860 could not be confirmed.

## **6. Long-Term Liabilities**

The statement of financial position reflects balances of Kshs.1,135,091,071 and Kshs.642,776,975 in respect of ADf loan balance and ADf loan outstanding interest all totalling Kshs.1,777,868,046. The Government Investments and Public Enterprises (GIPE) records reflect balances of Kshs.3,876,288,463 and Kshs.395,327,344 in respect of outstanding principal and loan interest for the same loan resulting to unreconciled variances of Kshs.2,741,197,392 and Kshs.247,449,631, respectively.

In the circumstances, the long-term loan balance of Kshs.1,777,868,046 in respect of ADf loan principal and interest could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Central Rift Valley 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**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance which have remained unresolved as at 30 June, 2023.

# 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-Adherence to Staff Establishment and Compliment Controls**

The Agency's staff establishment reflects a staff compliment of ninety-six (96) employees against staff in post of thirty (30) resulting to a shortfall of sixty-six (66). This has negatively impacted on the Agency's capacity to deliver on its mandate. Further, nine (9) employees have been seconded to the Agency from various ministries and departments without the authority of the respective Ministerial Human Resource Management Advisory Committees (MHRMAC).

In the circumstances, the Agency may not be effectively discharging on its mandate.

### **2. Work in Progress**

#### **2.1. Delayed Implementation of Kirandich Phase II**

The Agency contracted an international contractor for executive design and completion of works for rehabilitation of water and sanitation system of Kirandich Basin and Capacity Building through an agreement signed on 29 April, 2016 at a contract sum of Euros 17,282,202 (Kshs.2,197,777,632). The project was to commence on 6 February, 2017 and be completed by 8 December, 2018 with 670 days implementation period. Although, Interim Payment certificate No 1 of € 2,398,945 raised on 5 December, 2019 was paid on 14 May, 2020 no subsequent payments or budgetary provisions were provided for audit. A notice to terminate the contract was issued on 31 January, 2023 but the current status has not been provided by Management.

#### **2.2. Deficiencies in the Construction of Itare Dam Water Supply**

As previously reported, the Agency awarded a contract to an international company for the construction of Itare Dam Water Supply on 15 May, 2015 at a contract sum of Kshs.28,973,739,492. The contract for provision of consulting services on the project was then awarded later on 28 October, 2016 to another international firm at a contract sum of Kshs.694,090,008.

The contract period for the project was for 48 months with effect from 6 April, 2017. The project had five (5) components, namely; 27 million m<sup>3</sup> water storage dam, water treatment plant, bulk transfer tunnel, bulk transfer pipeline and reservoirs with distribution

pipelines. However, during a physical verification conducted in October, 2023, it was noted that no works were ongoing at the site as the contractor had suspended works since 24 September, 2018 citing delays in payment for an interim payment certificate (IPC) number 7. Although the payment has since been made, the contractor is yet to resume works at the site and hence it has stalled.

Further, in December, 2018, the Contractor was subjected to pre-bankruptcy proceedings in an international court of law and the outcome remains unknown. At the time when construction was halted, the Contractor had been paid Kshs.11,064,145,695 representing (39.3%) of the contract sum against certified value of work done which stood at 27%. The payment arrangement is such that the Agency jointly with the consultant, certifies the contractor's fee notes for money to be released by the Ministry of Water and Sanitation.

Subsequently, on 4 February, 2020, the Agency terminated the contract and demanded refund of the advance payment of Kshs.4,346,060,923 and performance guarantee as provided for in the contract. However, as at the time of this audit in January, 2024, the advance payment had not been refunded and the project remained stalled.

Further, the Consultant whose duties include monitoring the percentage of works executed, inform the employer about actual progress of works against the overall program, monthly measurement of the work executed, material controls and issuing the performance certificates had been paid a total of Kshs.491,446,506 (or 71% of the contract sum) based on monthly invoices submitted up to June, 2020. It is not clear how the consultant's fees continue to be justified without revising the contract despite the project having stalled.

In addition, records provided for audit indicate that an amount of Kshs.30,579,934 was spent on the dam without any budgetary provision or authority. Further, the amount included an amount of Kshs.11,713,956 incurred on security, tree planting and foreign travels which were not supported by relevant authority or documentation.

### **2.3. Delayed Completion of the Construction of Chemususu Dam**

The Agency contracted a contractor to construct the Water Treatment Plant (with a capacity of about 28,300 m<sup>3</sup>/day), and bulk transfer mains and reticulation system at a contract sum of Kshs.2,980,992,533. During the year under review, a funding of Kshs.200,000,000 was issued by GOK but only Kshs.74,086,522 was incurred on project activities resulting to unutilized funds of Kshs.125,913,522. Management did not explain the reasons leading to the low absorption of the funds. Further, the cumulative project expenditure of Kshs.3,187,830,584 exceeded the contract sum of Kshs.2,980,992,533 resulting to overpayments of Kshs.206,838,051. In addition, although the project completion date was May, 2022, it remains incomplete.

### **2.4. Delayed Completion of Construction of Pans and Dams**

Records provided for audit revealed the following projects valued at Kshs.44,239,078 commenced in prior years and still incomplete and further were not supported by current project implementation status reports.

S/No.	Project	Total Project Cost Kshs.
1	Barina Water Pan	8,390,030
2	Kihuha dam	7,329,720
3	Kimotony Water Pan	6,071,982
4	Lokishakona Water Pan	6,730,086
5	Maisa Water Pan	8,216,340
6	Nadwat Community Borehole	7,500,920
	<b>Total</b>	<b>44,239,078</b>

In the circumstances, the continued delay in completion of and deficiencies in the various projects' negatively affects service delivery to the public.

### 3. Delay in the Implementation of an Enterprise Resource Planning System

As previously reported, the Agency contracted a vendor for supply, delivery and installation of an integrated Enterprise Resource Planning System at a contract price of Kshs.38,171,702 effective from 26 February, 2020 for a period of 12 months ending 26 February, 2021. The system was to include human resource management and administration, procurement, finance management, business development, document management, project management, enterprise portal and fleet management modules. However, although an amount of Kshs.26,325,311 had been paid cumulatively to the vendor as at 30 June, 2023 no module was fully functional. Further, although the implementation date was extended to 28 April, 2022, the works remain incomplete.

In the circumstances, the value for money of the amount of Kshs.26,325,311 spent cumulatively on the project could not be confirmed.

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. Failure to Update the Fixed Assets Register**

As reported previously, review of the fixed assets registers provided for audit revealed that the register lacked information such as date of acquisition of assets, cost of acquisition and additions made during the year.

In the circumstances, the fixed asset register may not provide an accurate record of the status of assets owned by the Agency.

### **2. Lack of a Risk Management Strategy**

The Agency does not have in place a Risk Management Policy to guide it on assessment and evaluation of risks and strategies to mitigate likely risks.

In the circumstances, the service delivery may be adversely affected as probable risks may not be identified and mitigation measures applied accordingly.

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 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Agency's ability 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 or to cease operations.

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

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

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

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

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 Agency's 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 Management.
- Conclude on the appropriateness of 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 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.

  
**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**26 July, 2024**



Central Rift Valley Water Works Development Agency  
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#### 14 Statement of Financial Performance for the Year Ended 30 June 2023.

Description		2022/2023 Ksh	2021/2022 Ksh
<b>Income</b>	<b>Notes</b>		
<b>Total Income</b>	8	<b>524,671,702</b>	<b>804,030,814</b>
<b>Expenses</b>			
Project Expenses	11	251,749,542	669,120,788
Staff Costs	13	66,479,877	67,414,668
Board of Directors Expenses	14	17,133,437	24,421,066
Depreciation Expenses	1&2	8,400,197	4,545,606
Newspapers & Other Periodicals	15	-	254,840
Insurance Expenses	16	8,959,838	8,238,602
Maintenance	17	2,890,586	7,435,108
Other operating expenses	9	50,131,127	74,432,945
Contracted Professional Services	18	8,095,395	17,397,465
Audit Fees		696,000	-
<b>Total expenses</b>		<b>414,536,000</b>	<b>873,261,088</b>
<b>Net Surplus/(Deficit)</b>		<b>110,135,703</b>	<b>(69,230,275)</b>

The notes set out on pages 6 to 25 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 25 were signed on behalf of the Board of Directors by:

Signed:   
CPA Douglas K. Murei

Ag. Chief Executive Officer

Date: 26/2/2024

Signed:   
Mr Vincent M. Inganji

Ag. GM-Corporate Services

Date: 26/02/2024

Signed:   
Hon. Samuel Mathenge Ndiritu

Chairman

Date: 26/2/2024







Central Rift Valley Water Works Development Agency  
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**15 Statement of Financial Position as at 30 June 2023**

Description		2022/2023	2021/2022
		Ksh	Ksh
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	2	2,144,309,849	2,152,710,045
Work In Progress	10	6,722,948,771	6,407,345,415
<b>Total Non-Current Assets</b>		<b>8,867,258,619</b>	<b>8,560,055,460</b>
<b>CURRENT ASSETS</b>			
Cash & Bank	5	327,654,199	346,344,103
<b>Receivables and Prepayments</b>			
Deposits	5		95,000
Receivables and Prepayments	4	676,247,281	711,842,397
<b>Total Current Assets</b>		<b>1,003,901,480</b>	<b>1,058,281,499</b>
<b>TOTAL ASSETS</b>		<b>9,871,160,099</b>	<b>9,618,336,959</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	6	717,800,860	592,773,149
<b>Total Current Liabilities</b>		<b>708,462,314</b>	<b>592,773,149</b>
<b>LONG TERM LIABILITIES</b>			
ADf Loan	12	1,135,091,071	1,197,578,571
ADf Loan interest	12	642,776,975	630,341,251
<b>Total long-term liabilities</b>		<b>1,777,868,046</b>	<b>1,827,919,822</b>
<b>FUNDS</b>			
General Reserve Fund	7	2,270,911,280	2,160,775,577
Capital reserve fund		5,104,579,913	5,036,868,411
<b>Total Funds</b>		<b>7,375,491,193</b>	<b>7,197,643,988</b>
<b>Total Equity &amp; Liabilities</b>		<b>9,871,160,099</b>	<b>9,618,336,959</b>

The Financial Statements set out on pages 1 to 25 were signed on behalf of the Board of Directors by:

Signed:   
CPA Douglas K. Murei  
Ag. Chief Executive Officer

Signed:   
Mr Vincent M. Inganji  
Ag. GM-Corporate Services

Signed:   
Hon. Samuel Mathenge Ndiritu  
Chairman

Date: 26/2/2024

Date: 26/02/2024

Date: 26/2/2024



Central Rift Valley Water Works Development Agency  
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## 16 Statement of Changes in Net Assets

### FOR THE YEAR ENDED 30 JUNE 2022

	<b>Capital Fund Kshs</b>	<b>Revenue Reserves Kshs</b>	<b>TOTAL Ksh</b>
Balances at start of period	4,664,579,913	2,230,005,852	6,894,585,765
Funds received during the year	372,288,498	-	372,288,498
Surplus for the year	-	(69,230,275)	(69,230,275)
<b>Balances end of the year</b>	<b>5,036,868,411</b>	<b>2,160,775,577</b>	<b>7,197,643,988</b>

### FOR THE YEAR ENDED 30 JUNE 2023

	<b>Capital Fund Kshs</b>	<b>Revenue Reserves Kshs</b>	<b>TOTAL Ksh</b>
Balances at start of period	5,036,868,411	2,160,775,577	7,197,643,988
Funds received during the year	176,250,000	-	176,250,000
Prior year adjustment	(108,538,498)		(108,538,498)
Surplus for the year	-	110,135,703	110,135,703
<b>Balances end of the year</b>	<b>5,104,579,913</b>	<b>2,270,911,280</b>	<b>7,375,491,193</b>




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### 17 Statement of Cash Flows for the Year Ended 30 June 2023

	Notes	2022/2023 Ksh	2021/2022 Ksh
<b>Cash Flow from Operating Activities</b>			
Cash generated from operations		110,135,703	(69,230,275)
Add: Depreciation Expense		8,400,197	4,545,606
Decrease (Increase) in Accounts Receivables	4	35,690,115	83,614,511
Increase (Decrease) in Accounts Payables	6	125,027,711	34,739,073
<b>Net Cash Provided by Operating Activities</b>		<b>279,253,726</b>	<b>53,668,915</b>
<b>Investing Activities</b>			
Non-Current Assets Acquired	2&10	(315,603,356)	(775,642,698)
<b>Net Cash Provided by Investing Activities</b>		<b>(315,603,356)</b>	<b>(775,642,698)</b>
<b>Financing Activities</b>			
Long Interests		12,435,724	15,409,397
Loan Repayment	11	(62,487,500)	(72,419,000)
Funds Received in the year	7	176,250,000	372,288,498
Prior year adjustment	7	(108,538,498)	-
<b>Cash Flow from Financing Activities</b>		<b>17,659,726</b>	<b>315,278,895</b>
<b>Net Cash Increase for the Period</b>		<b>(18,689,904)</b>	<b>(406,694,887)</b>
Cash at Beginning of the Period		346,344,103	753,038,990
<b>Cash at End of the Period</b>		<b>327,654,199</b>	<b>346,344,103</b>

The Financial Statements set out on pages 1 to 25 were signed on behalf of the Board of Directors by:

Signed:   
CPA Douglas K. Murei  
Ag. Chief Executive Officer

Signed:   
Mr Vincent M. Inganji  
Ag. GM-Corporate Services

Signed:   
Hon. Samuel Mathenge Ndiritu  
Chairman

Date: 26/2/2024

Date: 26/02/2024

Date: 26/2/2024



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**18 Statement of Comparison of Budget and Actual Amounts for the Year  
Ended 30 June 2023**

	Original Budget 2022/2023	Adjustments 2022/2023	Revised Budget 2022/2023	Actual on Comparable 2022/2023	Performan ce Difference 2022/2023	% of utilization
	Ksh	Ksh	Ksh	Ksh	Ksh	
	a	b	c=(a+b)	d	e=(c-d)	
<b>REVENUE 8</b>						
GoK Grants-development	685,000,000	(508,750,000)	176,250,000	176,250,000	-	-
GoK Grants-Recurrent	176,000,000	287,497,077	463,497,077	463,497,077	-	-
WSPs Loan Repayment	54,289,608	-	54,289,608	54,289,608	-	-
Other Misc incomes	17,000,392	(10,115,374)	6,885,018	6,885,018	-	-
<b>TOTAL INCOME</b>	<b>932,290,000</b>		<b>700,921,703</b>	<b>700,921,703</b>	-	-
					-	-
<b>EXPENSES</b>					-	-
Staff cost 13	117,000,001	(50,520,124)	66,479,877	66,479,877	-	-
Administrative expenses	47,000,391	11,336,832	58,337,223	58,337,223	-	-
Project Expenses 11	148,100,000	103,649,542	251,749,542	251,749,542	-	-
Board expenses 14	23,500,000	(6,366,563)	17,133,437	17,133,437	-	-
Depreciation	2,100,000	6,300,197	8,400,197	8,400,197	-	-
Finance cost (2.5%) on National Treasury Loan	300,000	12,135,724	12,435,724	12,435,724	-	-
<b>TOTAL EXPENDITURE</b>	<b>338,000,392</b>		<b>414,536,000</b>	<b>414,536,000</b>	-	-
Surplus/Deficit					-	-
<b>CAPITAL EXPENDITURE</b>					-	-
<b>Long term loan</b>					-	-
National Treasury projects under capital dev	<b>54,289,608</b>	-	-	-		
	<b>540,000,000</b>		<b>315,603,356</b>	<b>315,603,356</b>		
	<b>932,290,000</b>		<b>730,139,356</b>	<b>730,139,356</b>		



## **19 Notes to the Financial Statements**

### **Significant Accounting Policies**

#### **1) Statement of Compliance and Basis of preparation**

The Agency's Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Agency and all values are rounded to the nearest shilling. The accounting policies have been consistently applied. The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The Financial Statements are prepared using Accrual basis.

#### **i) Summary of Significant Accounting Policies**

##### **a) Revenue Recognition**

The Agency recognizes revenue of goods and services in the period in which the board delivers the services to the customer and the Customer has accepted. Government grants are recognized when received.

##### **b) Deferred income**

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.

##### **c) Rental income**

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

##### **d) Budget information**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single Statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional Financial Statement in the statement of comparison of Budget and actual amounts.



**e) Property, Plant and Equipment–IPSAS17**

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. Land has been taken at cost though on leasehold status to be converted to the freehold. Depreciation is calculated using the straight-line method to write down the cost of the assets to their residual value over the estimated useful lives, as follows;

<b>Asset Description</b>	<b>% Per annum</b>	<b>Years</b>
Motor Vehicles	25	4
Furniture and fittings	12.5	8
Plant and Machinery	12.5	8
Computers and office equipment	33.3	3
Water pipelines	5	20
Sewerage line	5	20
Buildings	2	50
Water Reservoirs & Storage	2	50
Electro-mechanical, Tools & Equipment	6.67	15
Boreholes	2	50
Intangible Assets	33.3	3

The assets are not depreciated in the year of acquisition. WSPs and CBOs Assets acquired on behalf of Water Services Providers (WSPs) and Community Based Organizations (CBOs) shall not be depreciated.

**f) Employee benefits – IPSAS 25**  
**Retirement benefit plans**

The Entity provides retirement benefits for its employees as prescribed by regulations issued by Government from time to time. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.



**g) Financial Risk**

The Entity assumes that no un-expected changes in level of funding required for supporting its investment plans this may be due to changes in national priorities which currently places water at a high level against competing national needs or unreliable donor support.

**h) Taxation**

The Entity is a Non-Commercial Parastatal under the Ministry of Water, Sanitation & Irrigation dealing with water development and water is a non-taxable commodity, tax has not been provided for.

**q) Borrowing costs – IPSAS 5**

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.

**r) Related parties – IPSAS 20**

The Entity regards a related party as an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa and for this reason Water Service Providers are related parties to the Agency.

**s) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the commercial banks at the end of the financial year.

**t) Changes in accounting policies and estimates–IPSAS3**

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.

**u) Subsequent events – IPSAS 14**

There have been no events subsequent to the financial year end with a significant impact on the Financial Statements for the year.



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**2) Non-current Assets Movement Schedule**

Cost	Land & Buildings 0%	W.I.P	AfDB Assets	Furniture, Fittings 12.5%	Motor Vehicles 25%	Computers & Office equipment 33.3%	Plant & Machinery 12.5%	Totals
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>As at 01/07/2021</b>	8,401,550	5,633,661,169	2,131,250,902	8,961,133	7,778,720	19,311,057	2,328,737	7,811,693,268
Additions	-	773,684,246	-	-	-	-	1,958,452	775,642,698
Disposals	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-
<b>As at 30/06/2022</b>	8,401,550	6,407,345,415	2,131,250,902	8,961,133	7,778,720	19,311,057	4,287,189	8,587,335,966
Additions	-	315,603,356	-	-	-	-	-	315,603,356
Disposals	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-
<b>As at 30/06/2023</b>	8,401,550	6,722,948,771	2,131,250,902	8,961,133	7,778,720	19,311,057	4,287,189	8,902,939,322
<b>Depreciation and Impairment</b>								
<b>As at 01/07/2021</b>	-	-	-	4,164,944	4,933,220	11,307,998	2,328,737	22,734,900
Depreciation	-	-	-	1,120,142	757,780	2,667,684	-	4,545,606
Impairment	-	-	-	-	-	-	-	-





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Cost	Land & Buildings 0% Kshs.	W.I.P Kshs.	AfDB Assets Kshs.	Furniture, Fittings 12.5% Kshs.	Motor Vehicles 25% Kshs.	Computers & Office equipment 33.3% Kshs.	Plant & Machinery 12.5% Kshs.	Totals Kshs.
Transfer/ Adjustment As at 30/6/2022	-	-	-	-	-	-	-	-
Depreciation	-	-	-	1,120,142	1,944,680	5,335,375	-	8,400,197
Impairment	-	-	-	-	-	-	-	-
Transfer/ Adjustment As at 30/6/2023	-	-	-	-	-	-	-	-
	-	-	-	6,405,228	7,635,680	19,311,057	2,328,737	35,680,703
<b>Net Book Values</b>								
NBV- As at 30/6/ 2022	8,401,550	6,407,345,415	2,131,250,902	3,676,046	2,087,720	5,335,375	-	8,560,055,460
NBV-As at 30/06/2023	8,401,550	6,722,948,771	2,131,250,902	2,555,905	143,040	-	-	8,865,300,168

(B) Intangible assets: this is made up of consultancies under the project

\*Assets acquired under ADB project have not been depreciated since the Generally Accepted Accounting Principles (GAAPs) principle on "matching expense to income" was not met



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### 3) Inventories

The Board did not have any stocks as at end of the financial year Inventories are stated at the lower of cost and net realizable value.

### 4) Accounts Receivables

Receivables are recognized at fair value. No provision is made for impairment of receivables as there is no objective evidence that the Agency will not be able to collect the amounts due to it according to the terms of original receivable

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Staff advances	1,189,964	158,847
WSPs Administration Fees	649,241,619	649,241,619
WSPs Loan Repayment (NAWASSCO)	-	2,757,645
WSPs Loan Repayment (Others)	61,840,196	58,049,162
Machine Centre	-	1,730,123
Deposits	95,000	-
Prior year adjustment error Loan proceeds	(108,538,498)	-
Prior year adjustment loan repayment to NT (note 14 (FY 2021/22))	72,419,000	-
	<b>676,247,281</b>	<b>711,937,397</b>

### 5) Cash and Cash Equivalents

	<b>Account Numbers</b>	<b>2022/2023</b>	<b>2021/2022</b>
		<b>Ksh</b>	<b>Ksh</b>
KCB General Account	1101849835	151,822,404	125,657,493
KCB Development funds - GOK	1101792388	1,143,256	483,316
KCB Revenue Account	1101850973	964,968	967,098
KCB AFDB Account	1116841347	1,431,277	7,912,463
KCB Consumer Deposit Account	1107427126	4,057,893	4,058,958
KCB JICA Rural W/S Account	1152558781	93,885,184	142,565,769
KCB Loan ADf Account	1156932475	46,047,453	62,491,047
KCB Equalization Fund Account	1210825724	28,301,765	2,207,959
		<b>327,654,199</b>	<b>346,344,103</b>



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**6) Accounts Payables**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Ksh</b>	<b>Ksh</b>
Staff Gratuity and Pension	1,951,129	4,689,842
Voluntary Salary Deduction	593,750	593,750
KCB Consumer deposits Account	4,057,893	4,061,414
KCB Adf Loan Account	46,047,453	62,491,047
General trade creditors	13,407,026	10,993,133
General staff creditors	21,809,889	5,825,397
Nairobi Iron Mongers	279,523	279,523
Machiri LTD	1,175,641	1,175,641
Retention money Olkalou	5,708,813	5,708,813
Retention money ADF	198,502	198,502
General Development Creditors	336,013,622	198,154,137
General Development Retentions	286,557,621	298,601,950
	<b>717,800,860</b>	<b>592,773,149</b>

**7) Capital and Reserves**

	<b>Capital</b>	<b>Revenue</b>	<b>TOTAL</b>
	<b>Fund</b>	<b>Reserves</b>	
<b>Year ended June 2023</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Ksh</b>
Balances at start of period	5,036,868,411	2,160,775,577	7,197,643,988
Funds received during the year	176,250,000	-	176,250,000
Prior year adjustment (captured as income for AfDB project FY 2021/22)	(108,538,498)		(108,538,498)
Surplus for the year	-	110,135,703	110,135,703
<b>Balances end of the year</b>	<b>5,104,579,913</b>	<b>2,270,911,280</b>	<b>7,375,491,193</b>



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**8) Income**

	2022/2023	2021/2022
	Ksh	Ksh
<b>Revenue from non-exchange transactions</b>	<b>463,497,077</b>	<b>720,002,213</b>
<b>Revenue from exchange transactions</b>		
Receipts From Water Quality Test	643,541	15,511,256
WSPs Loan Repayment	54,289,608	54,289,608
Rent from properties	245,008	-
Withholding VAT to KRA(AfDB project)	262,936	227,498
Interest received from Investments	5,733,533	14,000,239
<b>Total Revenue</b>	<b>524,671,702</b>	<b>804,030,813</b>

**9) Other Operating Expenses**

	2022/2023	2021/2022
	Ksh	Ksh
Corporate social responsibility expenses	671,300	1,644,776
Travel & Accommodation- Local Trips	15,421,529	20,185,765
Monitoring and evaluation expense	937,845	870,100
Transport Operating Expense	3,543,050	8,547,505
General office Expenses/ Supplies	3,885,708	3,917,082
Official Entertainment expenses	2,980,810	2,214,646
Electricity Water and sewerage expenses	870,335	1,301,093
Staff welfare Expenses	1,753,100	4,484,530
Telephone & Internet Expense	482,792	552,396
Finance costs (2.5%)	12,435,724	15,409,397
Bank charges	1,296,708	2,646,978
Training expenses	3,242,190	7,672,081
Planning & Design Expenses	546,400	237,600
Staff recruitment expenses	-	261,360
Laboratory Operations	100,000	96,380
Courier and postal services	368,631	472,464
Advertising, Publicity & Trade shows Expenses	1,416,395	3,778,732
Subscriptions to prof. membership bodies	178,610	140,060
<b>Total Other operating expenses</b>	<b>50,131,127</b>	<b>74,432,945</b>



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**10) Work-in-Progress**

These water and sewerage projects whose works are continuing and are treated as work in-progress in the accounts until all project components are complete and handed over.

	2022/2023	2021/2022
	Ksh	Ksh
Kirandich Phase II water supply	203,260,988	202,680,988
Itare dam water supply	927,879,816	897,299,881
Chemususu Phase II W/S	3,187,830,585	3,113,744,063
Iten Sabor Water Project	167,618,647	167,618,647
AfDB Funded Projects	662,765,581	486,113,013
Naivasha Industrial Park	1,112,016,639	1,078,537,008
Dams & Pans	345,974,123	345,749,423
Olkalou Town Water Project	115,602,391	115,602,391
<b>Total</b>	<b>6,722,948,771</b>	<b>6,407,345,415</b>

**11) Project Expenses**

	2022/2023	2021/2022
	Ksh	Ksh
Lake Nakuru Bio-diversity Improvement W/P	9,552,673	1,350,300
Kaptumo Water Supply Project	9,574,856	298,200
Kaboro Water Supply	6,807,669	-
Rehabilitation of Water Supply Rift Valley	42,150,965	39,227,203
JICA program Expenses	22,224,980	68,617,956
Equalization program expenses	66,087,561	18,040,598
Cross County Program Expenses	20,658,752	65,910,661
Universal Health Coverage Expenses	6,408,325	53,005,713
Drought Mitigation program expenses	1,085,191	38,262,781
Water for Schools Expenses	24,180,784	89,586,233
Olkalao Boreholes water supply expenses	-	49,011,658
National Water Harvesting & Ground Water Exploitation Expenses	17,847,497	120,370,717
Construction and rehabilitation of water pans in Arid/Semi-arid Expenses	17,534,235	21,361,321
Public priority program Expenses	264,500	63,804,826
Strategic initiative project Expenses	7,371,554	40,272,621
<b>Total Project Expenses</b>	<b>251,749,542</b>	<b>669,120,788</b>



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**12) Loan ADF**

The ADF loan is on-lending to the Agency. The Government of Kenya took the loan from ADF. However, there was no funds in relation to loans received during the period.

**a) Principal outstanding**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance B/F	1,197,578,571	1,269,997,571
Remittances during the year	(62,487,500)	(72,419,000)
	<b>1,135,091,071</b>	<b>1,197,578,571</b>

**b) Principal Repayment**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
The National Treasury	62,487,500	72,419,000
	<b>62,487,500</b>	<b>72,419,000</b>

**c) ADF Loan**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
The National Treasury (Redemption)	54,289,608	54,289,608
	<b>54,289,608</b>	<b>54,289,608</b>

**d) Loan interest**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance B/F	630,341,251	614,931,854
charge for the year	12,435,724	15,409,397
	<b>642,776,975</b>	<b>630,341,251</b>



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**13) Staff Costs**

	2022/2023 Ksh	2021/2022 Ksh
Basic salary	41,261,643	36,417,995
House allowance	10,329,200	9,895,000
Entertainment allowance	176,000	180,000
Commuter allowance	3,444,000	3,360,000
Staff gratuity and pension	4,715,242	4,661,548
Non-Practice Allowance	480,000	480,000
Airtime allowances	1,209,000	1,194,000
Extraneous Allowance	161,000	84,000
Stipend Allowances	720,000	2,905,000
Leave allowances	3,220,090	3,301,089
Acting Allowance	309,600	839,928
Consolidated Pay	454,102	4,096,108
<b>Total Staff Costs</b>	<b>66,479,877</b>	<b>67,414,668</b>

**14) Board of Directors Expenses**

	2022/2023 Ksh	2021/2022 Ksh
BOD-Sitting allowances	5,366,041	8,307,368
BOD-Travel & accommodation- local trips	7,984,888	11,065,600
BOD-Training Expenses	735,000	757,602
BOD-Airtime Allowances	84,000	83,000
BOD-Lunch Allowances	579,320	666,536
BOD-Mileage allowances	1,131,873	2,013,359
BOD-Medical Insurance costs	292,315	560,601
Honoraria- Chairman	960,000	967,000
<b>Total Board of Directors Expenses</b>	<b>17,133,437</b>	<b>24,421,066</b>

**15 Newspapers and other periodicals**

	2022/2023 Ksh	2021/2022 Ksh
Publishing and printing Expenses	-	206,840
Subscriptions to Publications Expenses	-	48,000
<b>Total Newspapers &amp; Other Periodicals</b>	<b>-</b>	<b>254,840</b>



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**19 Insurance expenses**

	2022/2023	2021/2022
	Ksh	Ksh
Staff Medical Insurance Expense	7,085,995	7,183,940
Insurance-Motor vehicles	1,873,843	1,054,662
<b>Total Insurance Expenses</b>	<b>8,959,838</b>	<b>8,238,602</b>

**20 Maintenance Expenses**

	2022/2023	2021/2022
	Ksh	Ksh
Repair & Maintenance-Buildings	114,210	4,483,716
Repair & Maintenance-Computers, printers accessories	2,716,296	2,783,512
Repair & Maintenance-Plant, equipment and machinery	60,080	167,880
<b>Total Maintenance Expenses</b>	<b>2,890,586</b>	<b>7,435,108</b>

**21 Contracted Professional Services**

	2022/2023	2021/2022
	Ksh	Ksh
Contracted Professional Service	1,994,884	5,900,056
Contracted Security & Cleaning Services	2,980,461	5,014,344
Contracted Prof. Service -Research & Design		2,910,720
Contracted Prof. Services-Strategic plan & Development	1,766,950	2,940,845
ERP System Support Expenses	1,353,100	631,500
<b>Total Contracted Professional Services</b>	<b>8,095,395</b>	<b>17,397,465</b>

**22 Related Party Relations**

The Water Act 2016 establishes relations with the County Governments. In this regard the Agency provided technical and capacity building services to County Governments and Water Services Providers upon them requesting.

**23 Reporting Currency**

The currency used is Kenya Shillings (KSHS)





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**I. Appendices**

Appendix 1

**Implementation Status of Auditor-General's Recommendations**

The following is the summary of issues raised by the external auditor, and management comments to that which 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	Status: (Resolved / Not Resolved)	Timeframe
1	<p><b>Misstated and Undisclosed Property, Plant and Equipment Balances.</b>            The statement of financial position reflects an amount of Kshs.2,152.710.045 in respect of property, plant and equipment which, as disclosed in Note 2 the financial statements, includes an amount of Kshs.8,401,550 in respect of land and buildings However, the land and buildings balance excludes value of land of undetermined value on which the Board offices and water assets stand on. Further, the ownership documents for the subject parcels of land were not provided for audit verification.            Further and as reported previously, the Agency inherited the water distribution infrastructure owned in the past by the Sanitation and the National Water Harvesting and Storage Authority. The assets have not been valued and incorporated in the Agency's financial statements despite continued usage to generate revenue Management attributed this to lack of formal transfer of the assets, though however, no action has been taken to resolve this matter.            In the circumstances, the accuracy and fair statement of property, plant and equipment balance of Ksh 2,152,710,045 as at 30 June, 2022 could not be confirmed.</p>	<p>It is true the formal transfer of the assets had not been concluded and the agreement signed as at the close of the financial year. However, efforts towards completion of the transfer plan are being handled by the Ministry of Water, Sanitation &amp; Irrigation for the sector as a whole and that upon conclusion, all assets shall be transferred to the various institutions in line with available policy instruments</p>	Not Resolved	
2	<p><b>Anomalies in the Work in Progress Balance</b>            The statement of financial position</p>	<p>The recurrent expenditure of Kshs.219,123,771 was</p>	Not Resolved	



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	<p>reflects Work in Progress (WIP) balance of Ksh 6,407,345,415 which, as disclosed in Note 2 to the financial statements, is made up of balances of various projects whose works were incomplete as at the close of the financial year. However, the following misstatements were observed during the audit</p> <p>i. The balance includes an amount of Ksh 897,299,881 in respect of Itare Dam, for which Ksh 218,008,671 was incurred during the year under review despite the project having stalled in September, 2018 after the contractor suspended works citing delayed payments. Subsequently, the Agency terminated the contract on 4 February, 2020 after demanding for a refund of the advance payment and the performance guarantee as provided for in the contract. As a result, the expenditure of Ksh 897,299,881 incurred on the incomplete project may be a loss of public funds.</p> <p>ii. The balance includes amounts of Ksh167,618,647 and Ksh115,602,391 in respect of Iten-Sabor and Olkalou Town water projects respectively which, according to the Agency records, were completed and put into use several years back but had not been capitalized and updated in the assets register accordingly.</p> <p>iii. The balance includes an amount of Ksh 486,113,013 incurred on African Development Bank (AfDB) funded projects out of which an amount of Ksh109,023,473 was incurred on recurrent expenditure during the year under review. However, there was no support by way of an approved budgetary reallocation or Authority to Incur Expenditure provided for review. Further, included in the amount of Ksh109,023,478 is a balance of Ksh 88,228,393 incurred on land compensation whose ownership documents were not provided for audit review. In the circumstances, the accuracy and fair statement of work in progress balance of</p>	<p>incurred during the year under review for security detail in place for securing the state facility from vandalism/damage</p> <p>These projects were completed at a total cost of Ksh 167,618,647 and Kshs115,602,391 in respect of Iten Sabor and Olkalou Town water projects respectively. They are both functional These projects are among the list of completed projects to be commissioned by. the line Ministry</p> <p>The process of transfer and procurements stand at various stages to completion therefore ownership documents are still underway for ongoing projects.</p>		
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		Kshs.6,407,345,415 as at 30 June, 2022 could not be confirmed.		
3		<p><b>Long Outstanding Receivables Balance</b></p> <p>The statement of financial position reflects a balance of Kshs.711,937,397 in respect of receivables and prepayments balance, which as disclosed in Note 4 to the financial statements, includes a balance of Kshs.649,241,619 in respect of water service provider's administration fees which however, had been outstanding from the service providers for long with some of it dating as far back as FY 2016/2017 The fees came into effect with the enactment of Water Act, 2002 which gave the Board the authority to collect administration fees from Water Service Providers. However, this role was reversed with the enactment of Water Act, 2016 whose Section 131(2), provides that, the licensed water services providers shall not be required to pay any fees for the use of public assets for the provision of water services other than the repayments of loans acquired for the development of those assets. Further, the Nakuru County Government vide letter ref NCG/S/NWS VOL 1/90 advised the service providers under its jurisdiction to suspend with immediate effect all license administration fee payable to the Agency. No provision for bad debts was made in the financial statements. In the circumstances, the accuracy, recoverability and fair statement of receivables and prepayments balance of Kshs.711,937,397 as at 30 June, 2022 could not be confirmed.</p>	<p>The Agency earlier received communication from the County Government of Nakuru demanding that WSPs to stop all remittances towards lease fees. This instruction though not in line with the arrangements that existed then and had affected remittances and the Agency did respond and also held discussions with the Governor over the matter and awaited further direction as it affected all Agencies in the sector as a whole. Discussions at the Ministry, are ongoing on the way forward for these monies owed by WSPs to come up with a policy document to be applied for the sector as a whole.</p>	Not Resolved
4		<p><b>Unsupported Accounts Payable</b></p> <p>The statement of financial position reflects a balance of Kshs.592,773,149 in respect of accounts payable which, as disclosed in Note 7 to the financial statements, includes amounts of Kshs.198,154,137 and Kshs.298,601,950 in respect of general development creditors and general development retentions, respectively However, the balances were not supported by ledgers</p>	<p>The Agency now has a retention account and future retentions shall be retained therein. The ledger supporting the Kshs.200,733,490 is available for audit verification</p>	Not Resolved



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	and retentions bank account for the amounts held on behalf of various contractors. In the circumstances, the accuracy and fair statement of accounts payable balance of Kshs.592,773,149 as at 30 June, 2022 could not be confirmed			
5	<b>Variations in Government Grants</b> The statement of financial position reflects a Capital Fund balance of Kshs.7,197,643,988 which, as disclosed in Note 8 to the financial statements, includes funds received as government grants during the year of Kshs.372,288,498 which, however, differ with the amount reflected in the statement of comparison of budget and actual amounts of Kshs.629,875,000 by an unreconciled variance of Kshs.257,586,502. In the circumstances, the accuracy and fair statement of fund balance of Kshs.7,197,643,988 as at 30 June, 2022 could not be confirmed. .	The amount Ksh 466,137,502 has now been reconciled and .Ksh 372,288,498 is correctly stated under capital reserve supporting capital operations. The balance Ksh 804,030,814 is captured under revenue reserves supporting general operations.	Not Resolved	

**Remarks**

*The Agency has not been invited to present its audit report 2021/2022, the above appendix has therefore not been completed.*

CPA Douglas K Murei

Ag. Chief Executive Officer

Date 26/2/2024



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**APPENDIX II:**  
**Projects Implemented by the Agency Funded by development partners.**

Project title	Project Number	Donor	Period/ duration in Months	Donor commitment  Ksh '000'	Separate donor reporting required as per the donor agreement (Yes/No)	Conso lidate d in these financ ial state ments (Yes/ No)
Chemususu Phase II W/S	RVWSB/AD/W ORKS/14/1	GoK	24	3,500,000	N	Y
Kirandich Phase II W/S	KIRANDICH/II /02/LOT 1	GoK/	24	1,800,000	N	Y
AfDB Funded- Kenya Towns Sustainable Water Supply And Sanitation Programme	<i>Annex 1</i>	GoK/AfDB	48	1,360,000	Y	Y
Itare Dam W/S	RVWSB/AD/W ORKS/13/1 (works)	GoK/Itallian Cooperation	48	34,000,000	N	Y
Naivasha Industrial Park	RVWWDA/NIP /WORKS/2018- 2019	GoK	18	1,300,000	N	Y
Lake Nakuru Biodiversity Conservation program(LNBCP)	RVWSB/PROC/ CTC/277	GoK/KfW	12	177,000	N	Y
JICA funded Baringo projects	<i>Annex 2</i>	GoK	36	345,100	N	Y
Water for Schools programme	<i>Annex 3</i>	GoK/			N	Y
Public Priority fund projects	<i>Annex 4</i>	GoK/			N	Y
Small Dams & Pans	<i>Annex 5</i>	GoK/			N	Y
Rehabilitation of water supplies	<i>Annex 6</i>	GoK/			N	Y
Cross County Projects	<i>Annex 7</i>	GoK/			N	Y
National Water Harvesting & ground Exploration	<i>Annex 8</i>	GoK/			N	Y
Ol kalou Borehole Projects	<i>Annex 9</i>	Gok			N	Y
Universal Health Coverage	<i>Annex 10</i>	GoK/			N	Y
Dams For Peace	<i>Annex 11</i>	GoK/			N	Y



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**Status of Projects completion**

No	Project	project Cost Ksh '000'	Total expended to date Ksh '000'	Completion % to date	Budget Kshs '000'	Actual Kshs '000' 2022/2023	Sources of funds
1	Chemususu Phase II W/P	3,500,000	3,304,553	94	300,000	75,000	GoK
2	Kirandich Phase II W/S	1,800,000	202,436	15	40,000	20,000	Gok/Italy
3	AfDB Funded Projects	1,360,000	<i>Annex 1</i>	82	2,664,000	2,192,540	GoK/AfDB
4	Itare Dam W/S	34,000,000		27	0	0	Gok/Italy
5	Naivasha Industrial Park	1,300,000	803,356	100	0	0	GoK
6	JICA funded Baringo projects	345,100	<i>Annex 2</i>		0	0	JICA
7	Lake Nakuru Biodiversity			24	50,000	25,000	GoK/KfW
8	Water for Schools programme		<i>Annex 3</i>		0	40,000	GoK
9	Public Priority fund projects		<i>Annex 4</i>		0	0	GoK
10	Small Dams & Pans		<i>Annex 5</i>		0	0	GoK
11	Rehabilitation of water supplies		<i>Annex 6</i>		40,000	19,000	GoK
12	Cross County Projects		<i>Annex 7</i>		0	16,500	GoK
13	National Water Harvesting & Ground Water Exploration		<i>Annex 8</i>		0	9,125	GoK
14	Universal Health Coverage		<i>Annex 9</i>		0	10,000	GoK
15	Other Projects		<i>Annex 10</i>		0	8,875	GoK

*(Summarize the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)*



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**APPENDIX III:  
 Inter-Entity Transfers -Confirmation Letter**


Confirmation of amounts received by CRVWDA as at 30 <sup>th</sup> June 2023							Amount Received (KShs) as at 30 <sup>th</sup> June 2023	Differences
Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30 <sup>th</sup> June 2023								
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter- Ministerial (C)	Equalization Fund (D)	Total (E)=(A+B+C+D)	(F)	(G)=(E-F)
	6/7/2022		87,875,000			87,875,000		
water for schools budget B/F	6/7/2022			32,000,000		32,000,000		
	4/8/2022	14,666,667				14,666,667		
	9/9/2022	14,666,667				14,666,667		
water for schools 1st Qtr budget	29/9/2022			8,000,000		8,000,000		
Cross County 1st Qtr budget	29/9/2022			16,500,000		16,500,000		
national water harvesting 1st Qtr budget	29/9/2022			9,125,000		9,125,000		
	29/9/2022		171,250,000			171,250,000		
	5/10/2022	14,666,666				14,666,666		
	15/11/2022	14,666,667				14,666,667		
	13/12/2022	14,666,667				14,666,667		
	5/1/2023	14,666,666				14,666,666		
	6/2/2023	14,666,667				14,666,667		
	9/2/2023				5,841,150	5,841,150		
	24/2/2023				15,364,890	15,364,890		
	24/2/2023				3,950,822	3,950,822		
	24/2/2023				5,044,343	5,044,343		
	24/2/2023				7,258,120	7,258,120		
	24/2/2023				5,627,500	5,627,500		
	24/2/2023				13,276,500	13,276,500		
	24/2/2023				6,423,120	6,423,120		



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Confirmation of amounts received by CRVWDA as at 30 <sup>th</sup> June 2023							Amount Received (KShs) as at 30 <sup>th</sup> June 2023 (F)	Differences (G)=(E-F)
Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2023								
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial(C)	Equalization Fund (D)	Total (E)=(A+B+C+D)		
	24/2/2023				17,183,729	17,183,729		
	24/2/2023				23,226,941	23,226,941		
	24/2/2023				24,808,809	24,808,809		
	24/2/2023				10,905,160	10,905,160		
	24/2/2023				3,799,754	3,799,754		
	24/2/2023				4,728,160	4,728,160		
	24/2/2023				6,558,080	6,558,080		
	23/3/2023	14,333,333				14,333,333		
	31/3/2023	333,334				333,334		
	14/4/2023	14,666,667				14,666,667		
	6/6/0223	9,666,667				9,666,667		
	26/6/2023	9,666,667				9,666,667		
	30/6/2023	9,666,667				9,666,667		
<b>Total</b>		<b>161,000,002</b>	<b>259,125,000</b>	<b>65,625,000</b>	<b>153,997,077</b>	<b>639,747,079</b>		

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

Name Mr Vincent M. Inganji Sign  Date 26/02/2024





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**20 Annexes**

**Annex I**

**AfDB funded Kenya Towns Sustainable Water Supply and Sanitation Programme**

S/No.	Project Title	Total Project Cost	Total Expended to date	% Completion	Budget	Actual (Kshs)	Sources of funds
1	Design review, tender documents and supervision of works for Narok Town Sewerage Project	185,115,670	164,030,050	100	185,379,728	185,115,670	AfDB & GoK
2	Narok Sewerage works and Last Mile Connectivity for Water Supply	1,477,780,324	1,474,846,530	100	1,453,797,278	1,477,780,324	AfDB & GoK
3	design review and supervision for Olkalou Sewerage Project	40,958,643	29,097,896	90	36,088,937	40,958,643	AfDB & GoK
4	Olkalou Town Sewerage Project works	589,021,144	326,380,425	90	360,889,368	589,021,144	AfDB & GoK
5	design review and supervision Kapenguria-Makutano Sewerage Project	61,263,851	42,865,403		49,393,847	61,263,851	AfDB & GoK
6	Kapenguria Sewerage Project works	482,110,132	96,422,026		270,984,941	482,110,132	AfDB & GoK
7	Chepareria Sewerage Project works	217,096,202	100,882,860	99	222,953,525	217,096,202	AfDB & GoK
8	Feasibility Study, Detailed Design and Tender Documents of Amaya Dam Water Supply Project	81,234,971	64,701,701	100	90,000,000	81,234,971	AfDB & GoK
9	Feasibility Study, Detailed Design and Tender Documents of Bergei Water Supply Project	93,057,462	37,004,661	75	93,600,000	43,170,000	AfDB & GoK
10	Feasibility Study, Detailed Design and Tender Documents of the Proposed Eldama Ravine Water Supply Project	34,803,556	24,457,742	100	407,964,250	34,803,556	AfDB & GoK



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**Annex 2**

JICA Projects

S/No.	Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Barkatiew Community Borehole Wp	8,271,617	1,381,212	30			JICA
2	Kaptir Community BorholeWp	8,171,453	-	32			JICA
3	Kimoriot Community Borehole Wp	7,724,464	-	40			JICA
4	Lelnane Community Borehole Wp	7,620,360	2,766,300	70			JICA
5	Tabagon Community Borehole Wp	7,549,850	4,121,207	95			JICA

**Annex 3**

Water for Schools Water Projects

S/No.	Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	AC Primary School Borehole Water Project	6,786,252	Ksh 2,718,780	85			Gok
2	Emanimon Borehole	8,042,091	3,969,854	100			Gok
3	Kaimbaga Borehole	8,622,328	-	30			Gok
4	Kanjuri Borehole	7,922,587	2,072,720	100			Gok
5	Kiheo Borehole	7,483,685	2,001,160	100			Gok
6	Kiplombe Secondary school borehole	7,108,284	2,974,950	98			Gok
7	KotulpoghBh	8,458,211	5,784,497	100			Gok
8	Matundura Borehole	7,483,685	2,199,140	100			Gok
9	Nyangatia primary school	8,444,025	1,555,200	50.			Gok
10	Oljororok Borehole	7,461,685	1,663,960	100			Gok
11	Olkalou Industrial Park Borehole Water Project	10,606,365	5,560,534	74			Gok
12	Orinie Primary School Borehole Water Project	3,843,300	2,289,914	98			Gok
	Utumishi Borehole Water Project	7,311,700	1,541,700	98			GoK



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**Annex 4**

Public Priority Projects

S/No.	Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Kio primary	7,699,450	2,810,640	80			Gok
2	Miteta primary	7,427,210	2,968,980.	100			Gok
3	Pesi/Kabaa Primary school borehole	4,575,953	2,184,795	80			Gok
4	Rutara Dam Phase 1	39,883,548	25,536,426	98			Gok

**Annex 5**

Small Dams, Pans

S/ No.	Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Barina water pan	8,390,030	5,824,430	100			Gok
2	Kihuha dam	7,329,720	2,965,520	100			Gok
3	Kimotony water pan	6,071,982	2,963 500	70			Gok
4	Lokishakona Water Pan	6,730,086	6,118,260	100			Gok
5	Maisa water pan	8,216,340	6,915,000	100			Gok
6	Nadwat Community Borehole	7,500,920	-	0			Gok

**Annex 6**

Rehabilitation of water supplies.

S/No.	Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Ilkamaniki Dam Water Project	32,737,180	17,462,518	95			GoK
2	Lettari Borehole Water Project	7,671,016	2,077,400	98			Gok
3	Olmusakwa pri School Borehole Water Project	7,671,013	2,089,800	98			Gok
4	Pruok Primary School Borehole	8,581,815	2,932,500	100			GoK



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**Annex 7**

Cross County Projects Programme

S/No.	Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Mukungungu water project	6,167,208	5,414,053	100			
2	Bahati borehole	7,940,730	-	40			
3	Kiamunyeki borehole	7,196,420	-	40			GoK
4	IndonyoOseroLempere Borehole	7,205,690	1,765,520	90			GoK
5	Karigoini primary school	7,400,085	5,658,540	100			GoK
6	Mawingo(Karugutu primary school) Borehole	7,996,346	3,105,000	100			Gok
7	Mukurweini Water supply project	23,737,735	13,581,461	94			Gok
8	Mwicingirigiri borehole	7,674,975	2,489,715	30			GoK

**Annex 8**

National Water Harvesting And Ground Water Exploitation Programme

S/No.	Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Gatimu Borehole Water Project	7,512,010	693,846	20			Gok
2	Kalkuna Primary school Borehole	8,752,759	3,779,789	100			Gok
3	Kaptiriony Secondary School Borehole	7,315,138	4,057,645	76			Gok
4	Lare Borehole Water Project	7,051,300	967,000	50			Gok
5	Oloi BorSoito Primary School	7,362,410	-	42			Gok
6	TaitaMauche Secondary School Borehole Water Project	7,766,301	1,891,090	100			Gok
7	Umande ward water supply project	28,301,414.	12,547,755	100			Gok



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**Annex 9**

Universal Health Coverage Programme

S/N	Project	Total project cost	Expenditure to date	Percentage of completion %	Budget	Actual	Source of funds
1	Kabazi health centre	8,052,891	4,354,080	100			GoK
2	Tangulbei Sub County hospital	8,574,830	5,432,184	100			GoK
3	Mogotio Hospital- Roof Catchment	4,348,775	3,516,375	100			GoK

**Annex 10**

Other Category Projects

S/No.	Project Name	Total Project Cost, Kshs	Total expended to date, Kshs	Completion % to date	Budget	Actual	Sources of Funds
1	Rehabilitation of Mugitiri water project	17,177,624.	-	30			GoK
2	Kaboro cluster Water Supply	17,720,098	6,800,168.	95			GoK
3	Kaptumo cluster Water Supply	17,430,439.	2,087,380	95			GoK
4	Orokwo Primary school borehole	7,372,816	7,118,005	95			GoK
5	KITI Sewerage Project	18,629,453	6,274,080	75			GoK