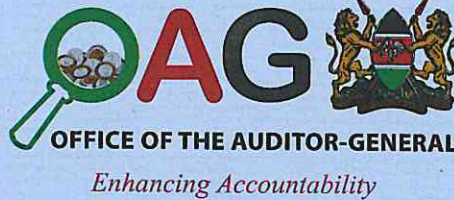


REPUBLIC OF KENYA

9

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



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

OAG/CRRO/NRVWDA/2021-2022-1092-02/(29)



29 May, 2023

The Chief Executive Officer
North Rift Valley Water Works Development Agency
P.O Box 1012-30100
ELDORET

Dear Sir,

REPORT OF THE AUDITOR-GENERAL ON NORTH RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY

Your response dated 27 March, 2023 in respect of the draft audit report of the financial year ended 30 June 2022 refers.

The additional information and evidence provided have been examined and issues that have not been satisfactorily explained and (or) supported are now included in the audit report.

Enclosed herein please find one set of the report of the Auditor-General on North Rift Valley Water Works Development Agency for the year ended 30 June, 2022 duly certified and with the seal affixed thereon for your use and retention.

The invoice No. 12439 amounting to Kshs.750,000.00 for audit services up to the financial year ended 30 June, 2022 payable within 30 days from the date of this letter is enclosed.

Yours sincerely,

Bonface O. Ong'wen
FOR: AUDITOR-GENERAL

Copy to: **Dr. Paul Ronoh**
Principal Secretary
Ministry of Water, Sanitation and Irrigation
State Department for Water and Sanitation
Maji House, Upper hill, Off Ngong road,
P.O Box 49720 – 00100
NAIROBI

Mr. Sam Indimuli
Secretary, State Corporations Advisory Committee (SCAC)
P.O Box 42145-00100
NAIROBI

Ag. Manager - Finance.
You are nominated as the focal point to coordinate compliance with issues raised. Work with all HOD's to address specific issues & convene a meeting for us all.
30/5/23.

0 . . 0



REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**NORTH RIFT VALLEY WATER WORKS
DEVELOPMENT AGENCY**

**FOR THE YEAR ENDED
30 JUNE, 2022**



Enhanced Access to Safe Water

OFFICE OF THE AUDITOR -GENERAL
CENTRAL RIFT REGIONAL OFFICE

27 MAR 2023

RECEIVED

P. O. Box 2774 - 30100, ELDORET

NORTH RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022

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

North Rift Valley Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2022.

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1. KEY AGENCY INFORMATION AND MANAGEMENT

(a) Background information

North Rift Valley Water Works Development Agency (NRVWWDA) is one of the nine (9) Water Works Development Agencies under the Ministry of Water, Sanitation and Irrigation (MoWSI). It was established *vide* Kenya Gazette Supplement No. 5 of 7th February 2020 pursuant to the Water Act No. 43 of 2016. The Agency offices are located in Eldoret town.

The Agency covers the counties of Uasin Gishu, West Pokot, Turkana and Elgeyo-Marakwet with a total population of approximately 3.2 Million and an area of approximately 83,000 km² as per 2019 National Census. It was carved from the former Rift Valley Water Works Development Agency (*West Pokot, Turkana and Elgeyo-Marakwet counties*) and Lake Victoria North Water Works Development Agency (*Uasin Gishu County*). The Agency was operationalized by the Ministry of Water, Sanitation and Irrigation through the deployment of staff on 15th July 2020.

(b) Principal Activities

NRVWWDA is responsible for efficient and economical provision of water and sanitation services within its area of jurisdiction as mandated by Section 68 of the Water Act 2016. The specific functions of NRVWWDA are as outlined below:

- a. Undertake the development, maintenance and management of the national public water works within its area of jurisdiction.
- b. Operate the waterworks and provide water services as a water service provider, until such a time as responsibility for the operation and management of the waterworks are handed over to a county government, joint committee, authority of county governments or water services provider within whose area of jurisdiction or supply the waterworks is located.
- c. Provide reserve capacity for purposes of providing water services where pursuant to section 103, the Regulatory Board orders the transfer of water services functions from a defaulting water services provider to another licensee.
- d. Provide technical services and capacity building to such county governments and water services providers within its area as may be requested.
- e. Provide to the Cabinet Secretary technical support in the discharge of his or her functions under the Constitution and the water Act 2016.

The Agency's Vision, Mission and Core values are as outlined below

Vision Statement

Sustainable water and sanitation infrastructure for the residents in our area of jurisdiction.

Mission Statement

Develop, manage and maintain sustainable water and sanitation facilities and capacity build Water Service Providers and County Governments for enhanced livelihoods and economic development in our area of jurisdiction.

Core values

- Integrity:** We are committed to acting in honest, accountable and transparent manner in all our undertakings.
- Professionalism:** We are committed to the highest level of competency and pertinent skills in all our endeavours.
- Teamwork:** We are committed to consult and pull our efforts for enhanced service delivery.
- Inclusivity:** The Agency will involve all stakeholders and discharge its mandate without discrimination
- Sustainable development:** The Agency will pursue development that satisfies the needs of the present generation without compromising the capacity of future generations, guaranteeing balance between economic development, care for the environment and social wellbeing.

(c) Key Management

The day-to-day management of the Agency is under the following key organs:

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

(d) Fiduciary Management

The key management team who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Edwin C. Rotich
2.	Head of Human Resources & Admin.	Mr. Sammy Kigen
3.	Head of Technical Services	Eng. Christopher Bwire
4.	Head of Finance	CPA Titus Chesire
5.	Head of Procurement	Mark Kanda

(e) Fiduciary Oversight Arrangements

Ministry of Water, Sanitation and Irrigation- Reviews the budget approved by the Board of Directors in order to ensure that the Government strategic objectives and policies are incorporated.

Public Investment Committee - The Committee ensures that there is value for money for all projects undertaken by the Board.

State Corporations Advisory Committee (SCAC) - The Committee is mandated to advise the board on the general administration issues.

Inspectorate of State Corporations- Evaluates the results of the board based on the agreed performance targets.

Board of Directors; - Overall oversight and direction of all the board activities, the following are committees of the Board;

- i. Finance and Administration Committee, whose main duties are: - to review financial statements and annual budgets; Financial performance; Strategic planning and annual performance reviews.
- ii. Corporate Affairs Committee, whose main duties include oversee legal matters, ICT, Corporate performance and Corporate communication
- iii. Risk & Audit Committee, whose main duty is to ensure that the systems of internal control are effected to mitigate on risks.
- iv. Technical Services Committee, whose focus is on issues arising from the Agency's stewardship of essential water and sanitation infrastructure. The committee is also tasked to ensure environment and social safeguards are adhered to during planning and development of water and sanitation infrastructure.

Development partner oversight activities

For projects funded by external development partners, quarterly reports are submitted. The funds are audited by external auditors appointed by the Development Partners on an annual basis.

(f) Agency Headquarters

Office of the Auditor General (OAG) Building (2nd Floor),
Furfural Road, Opposite Public Works (Mechanical Division), Eldoret-Kenya.
P. O. Box 1012-30100, Eldoret.

(g) Agency Contacts

Tel. 0700 347 896/ 0753 347 896

Email: info@nrwwda.go.ke, ceo.nrwwda@gmail.com

Website: www.nrwwda.go.ke

(h) Banker

Kenya Commercial Bank
Eldoret Main Branch
P.O Box 560-30100
Eldoret.

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

2. THE BOARD OF DIRECTORS

1. David Chumba Chemweno - (Born 14/10/1974) - Chairman, NRVWDA

The Cabinet Secretary Ministry of Water, Sanitation and Irrigation appointed Mr. Chemweno as the Board's Chairman on 4th December 2020 as Non-Executive Board Chair of North Rift Valley Water Works Development Agency. He holds a Bachelor of Science in Agricultural Economics from Egerton University. He is a former Board member of Eldoret Water and Sanitation Company (ELDOWAS)



2. Margaret C. Sang Kirui (Born 14/03/1956).

She was appointed on 4th December 2020 by the Cabinet Secretary Ministry of Water, Sanitation and Irrigation as Non- Executive Board of Director of North Rift Valley Water Works Development Agency. She holds a Bachelor of Arts in Sociology from Moi university. Has vast experience in strategic management having worked in Moi Teaching and Referral Hospital College of Health Science as an Administrator. She is the chairperson of Corporate Affairs committee and also a member of Audit and Risk Committee.



3. Isaac Maiyo (Born 15/01/1962)

He was appointed on 4th December 2020 by the Cabinet Secretary Ministry of Water, Sanitation and Irrigation as Non- Executive Director of North Rift Valley Water Works Development Agency. Holds a bachelor's degree in Public Administration. He was formerly a non-executive Board Member of Lake Victoria North Water Works Development Agency and National Irrigation Board (N.I.B). He is the chairperson of Technical committee and also sits in Audit and Risk committee.



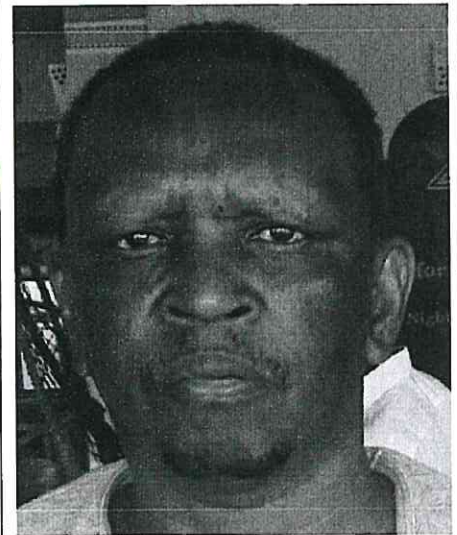
4. Christopher Eporom Ekuwom (Born 22/09/1972)

He was appointed on 4th December 2020 by the Cabinet Secretary Ministry of Water, Sanitation and Irrigation as Non-Executive Director of North Rift Valley Water Works Development Agency. He holds a bachelor's degree in sociology and master's degree in business administration. He was formerly a County Executive Committee Member of Agriculture, Pastoral Economy and Fisheries in Turkana County. He has also previously worked with OXFAM Great Britain as project coordinator in ASAL areas. He is the chair of Audit and Risk Committee and also a member to Corporate Affairs Committee.



5. Isaac Kimani (Born 15th March 1962)

Alternate Director to the Principal Secretary, Ministry of Water, Sanitation and Irrigation. He holds a Bachelor's degree in Geological Science. He is currently Deputy Director, Operations and Coordination at the Ministry of Water, Sanitation and Irrigation. He has over 30 years of experience having worked in the Ministry since 1987. He sits in the Finance and Administration Committee, Technical Committee and Corporate Affairs Committee.





6. Edwin C. Rotich (Born 15th January 1978)




Mr. Rotich was appointed Chief Executive Officer for the Agency in May 2022. He holds a Master of Business Administration degree from the University of Manchester and a Bachelor of Commerce Degree (Accounting Option) First Class Honours, from Kenyatta University.

He has served as a member of the County Executive Audit Committee, County Government of Elgeyo Marakwet. He has previously served in the Boards of the Retirement Benefits Authority and the Agricultural Finance Corporation, and held senior management roles in Relief International (Somalia), War Child Holland (South Sudan), Inter-Church Organization for Development Cooperation (Sudan) and World Vision Kenya.



3. MANAGEMENT TEAM

<p>1.</p>	 <p>Edwin C. Rotich - He holds a Master of Business Administration degree from the University of Manchester and a Bachelor of Commerce Degree (Accounting Option) First Class Honours, from Kenyatta University. He is also a member of Institute of Certified Public Accountants of Kenya (ICPAK)</p>	<p>Chief Executive Officer</p>
<p>2.</p>	 <p>Sammy Kipkorir- Holder of Bachelor Arts Antropology and Government, Post Graduate Diploma in Human Resources Management. Member of Institute of Human Resources Management.</p>	<p>Head of Human Resources & Administration</p>

<p>3.</p>	 <p>Eng. Christopher Bwire-Holds a Masters Degree in civil Engineering, Bachelors Degree in Civil Engineering. He is member of Engineers Board of Kenya</p>	<p>Head of Technical Department</p>
<p>4.</p>	 <p>CPA Titus Chesire- Holds a Bachelor of Arts Degree in Economics and a Certified Public Accountant of Kenya(CPA-K). He is also a member of Institute of Certified Public Accountants of Kenya (ICPAK)</p>	<p>Head of Finance</p>
<p>5.</p>	 <p>Mark Kanda- holds a Masters in Procurement and Logistics and a Degree in Bachelors of Business Management Supply Chain Management option. He is a member of Kenya Institute of Supply Chain Management.</p>	<p>Head of Procurement</p>

4. CHAIRMAN'S STATEMENT



Introduction

North Rift Valley Water Works Development Agency (NRVWDA) is one of the nine (9) Water Works Development Agencies under the Ministry of Water, Sanitation and Irrigation (MoWSI). It was established *vide* Kenya Gazette Supplement No. 5 of 7th February 2020 pursuant to the Water Act No. 43 of 2016.

The Agency covers the counties of Uasin Gishu, West Pokot, Turkana and Elgeyo-Marakwet with a total population of approximately 3.2 Million and an area of approximately 83,000 km² as per 2019 National Census.

The Agency is geared to make a significant progress on investments in water and sanitation in an effort to increase access to clean water and sanitation services in its area of jurisdiction. In spite of operational challenges, the Agency has managed to put in place operational instruments that will lead to its full establishment and successful implementation of its mandate. These key areas are highlighted below.

Corporate Governance

Following the establishment of the NRVWDA a team of Board of Directors was gazetted on 1st December 2020 and was inaugurated on 15th February 2021. The Board is composed of persons with diverse backgrounds each bringing in unique skills and experience to help in providing leadership to the Agency.

In ensuring that the Board aligns itself with the tools to ensure proper oversight and leadership requirement of an effective board, the Board formed four committees as follows;

- Technical Services Committee
- Audit and Risk Committee
- Corporate Affairs Committee

- Finance and Administration Committee

In addition, the Agency developed and issued the following governance tools necessary for the board and management to use as they execute their mandates:

- Board Charter
- Board Committee charters
- Board of Directors Code of Conduct and Ethics

The above tools clearly define roles, responsibilities and powers, values and principles as the board guides management in setting direction and control of the Agency.

Strategic Focus

The Agency has developed a strategic plan with a key goal of ensuring development of sustainable water and sanitation infrastructure for efficient delivery of water services. This will be achieved by ensuring value for money for the investment towards increased access to water and sanitation through use of right technology, research, innovation, leadership and governance. The board of directors and management of the Agency will continue to oversee the implementation of our strategic plan (2022-2026) in order to achieve all our goals as envisaged in the plan.

Accelerating access to Water and Sanitation Services

The Agency has set its targets on accelerating access to water so as to conform to the demands and provisions of the Sustainable Development Goals (SDGs), Kenya's Vision 2030 and the country's Big Four Agenda. Water and Sanitation coverage in the Agency's area of jurisdiction is approximately 52% and 10% respectively and the Agency intends to increase the coverage to 80% and 25% in the next five years.

The Agency will do this by addressing the aging networks and upgrading the water and sewerage systems and construction of new projects.

Resource mobilization

In order to fill the water and sanitation coverage gaps, there is need to mobilize adequate financial and human resources. These resources will be mobilized from government grants, development partner grants and loans.

Stakeholders Relations

The Agency will continue to consult regularly with all stakeholders including consumers, community leaders, the public, water service providers, development partners, sister water agencies, experts, national and county governments, with regard to development and management of projects.

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We recognize our stakeholders as integral participants in the long-term planning and implementation of solution-oriented initiatives. We commit to continue with rigorous stakeholder engagement processes based on principles of inclusivity, accessibility, transparency and positive contribution.

I consider each interaction as an opportunity to share ideas that will improve business results, and transform people's lives. We strive to be a positive corporate partner to the communities and the stakeholders we serve.

Appreciation

On behalf of the Board of Directors, I wish to acknowledge the support in policy guidance and resources by the National Government through the Ministry of Water, Sanitation and Irrigation and other government Agencies, the County Governments of Uasin Gishu, West Pokot, Turkana and Elgeyo Marakwet and Water Service Providers for their cooperation and support.

Thank You.



David C. Chemweno
Chairman of the Board of Directors
North Rift Valley Water Works Development Agency

5. REPORT OF THE CHIEF EXECUTIVE OFFICER



North Rift Valley Water Works Development Agency (NRVWWDA) is one of the nine (9) Water Works Development Agencies under the Ministry of Water, Sanitation and Irrigation (MoWSI). It was established *vide* Kenya Gazette Supplement No. 5 of 7th February 2020 pursuant to the Water Act No. 43 of 2016. The Agency offices are located in Eldoret town.

The Agency covers the counties of Uasin Gishu, West Pokot, Turkana and Elgeyo-Marakwet with a total population of approximately 3.2 Million and an area of approximately 83,000 km² as per 2019 National Census. It was carved from the former Rift Valley Water Works Development Agency (*West Pokot, Turkana and Elgeyo-Marakwet counties*) and Lake Victoria North Water Works Development Agency (*Uasin Gishu County*). The Agency was operationalized by the Ministry of Water, Sanitation and Irrigation through the deployment of staff on 15th July 2020.

During the financial year the Agency achieved several milestones which include launch of its strategic plan which is a key instrument that will provide a clear road map for the implementation and achievement of the Agency mandate and approval of the human resource instruments that outlines the number of staff that is required for the Agency to operate smoothly.

The Agency also received budgetary allocation from the ministry for recurrent and for implementation of various water projects under various programs which have been acted upon through design and procurement of contractors. The projects are at various levels of implementation.

The Agency will continue to collaborate with stake holders through courtesy calls to, and meetings with county governments, county commissioners and water service providers with a view of ensuring seamless working relationships.

The Agency has aligned its Strategic Plan to the national development agenda as espoused in the Constitution of Kenya 2010, Kenya's Vision 2030, MTP III, the Big - Four Agenda,

**North Rift Valley Water Works Development Agency
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SDGs, Agenda 2063 as well as other national and international priorities. NRVWDA will implement its mandate and accelerate the development, maintenance and management of the water and sanitation infrastructure in line with national and international priorities and the Water Act 2016.

I take this opportunity to thank the Board of Directors, Management and Staff of NRVWDA for each playing their role in ensuring proper take - off and establishment of a solid foundation for the Agency; the Ministry of Water, Sanitation and Irrigation and the National Treasury, for policy direction and guidance, and provision of funds and other resources for operations; Central Rift Valley, Lake Victoria North, and Lake Victoria South Water Works Development Agencies for their continued support in payment of salaries for the seconded staff, as well as provision of vehicles, office equipment and furniture.

I also wish to thank the County Governments, Water Service Providers and all our stakeholders for the support you offered to the Agency during this financial year.

I look forward to continue working with you all in the next financial year and beyond in the delivery of our mandate.



**Edwin C. Rotich
Chief Executive Officer
North Rift Valley Water Works Development Agency**

6. STATEMENT OF THE AGENCY’S PERFORMANCE AGAINST PRE - DETERMINED OBJECTIVES FOR FY 2021/2022

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government Agency’s performance against predetermined objectives.

The Agency has five (5) strategic pillars and objectives within the current Strategic Plan for the FY 2022 to FY 2026. These strategic pillars/ themes/ issues are as follows:

Pillar 1: increase water coverage from 52% to 80% by 2026;

Pillar 2: increase sanitation coverage (sewerage from 3% to 18%) and sanitation from (62% to 82%) by 2026;

Pillar 3: institutional development through adequate qualified staff, improved work environment, operational efficiency, enhanced corporate image and enhanced corporate governance;

Pillar 4: financial sustainability by mobilizing 75 Billion and diversification of funds by 2026;

Pillar 5: Collaboration with four (4) number County Governments and five (5) number Water Service Providers.

The Agency’s annual work plans are based on the above five (5) pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis.

The Agency’s performance against predetermined objectives for FY 2021/2022 period is as indicated in the diagram below:

Strategic Pillar/Theme /Issues	Objective	Key Performance Indicators	Activities	Achievements
Water coverage	increase water coverage from 52% to 80% by 2026	Number of water projects constructed	Design water projects Procure contractors Construct water projects	The Agency constructed sever water projects which include Rukuini, Chepareria, flax, Tulwet boreholes.

**North Rift Valley Water Works Development Agency
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Strategic Pillar/Theme /Issues	Objective	Key Performance Indicators	Activities	Achievements
Sewerage and Sanitation coverage	increase sanitation coverage (sewerage from 3% to 18%) and sanitation from (62% to 82%) by 2026	Number of sewerage and sanitation facilities constructed	Design sewerage and sanitation projects Procure contractors Construct sewerage and sanitation projects	Carried out appraisals for various projects, Chepareria, Makutano and Eldoret last mile projects are ongoing. The projects are being implemented by central Rift Valley Water Works Development Agency on behalf of NRVWDA
Institutional Development	institutional development through adequate qualified staff, improved work environment, operational efficiency, enhanced corporate image and enhanced corporate governance;	Increased Productivity	Acquired laptops for Board of Directors. The Agency received desktops from CRVWDA as part of institutional support Human Resource Instruments were approved during the financial year.	Acquired laptops for Board of Directors. The Agency received desktops from CRVWDA as part of institutional support Human Resource Instruments were approved during the financial year

**North Rift Valley Water Works Development Agency
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Strategic Pillar/Theme /Issues	Objective	Key Performance Indicators	Activities	Achievements
Financial Sustainability	financial sustainability by mobilizing 75 Billion and diversification of funds by 2026	Financial stability	Participate in budget making processes Undertake proposals and designs for submission to donors	The Agency received Ksh 50M allocations for recurrent and Ksh 180M for development
Collaboration with four (4) number County Governments and five (5) number Water Service Providers	To enhance water and sanitation provision in the area of jurisdiction	Increased access to water and sanitation services	Develop framework for engagements, undertake trainings, carry out GIS mapping for Non Revenue Water	Seamless implementation of projects

7. CORPORATE GOVERNANCE STATEMENT

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

In the financial year under review, we continued to maintain high levels of corporate governance by focusing on the following areas:

- Developed and launched our strategic plan which will run to the year 2027 for the long-term prosperity of the Agency;
- Continually enforced internationally recognised accounting principles;
- Focused on clearly defined Board and management duties and responsibilities;
- Enhancing directors' competencies through corporate governance training and audit training.
- Ensuring compliance with relevant laws and upholding the highest levels of integrity in the organization's culture and practices.

Board charter

The Board Charter is critical to the Agency's governance framework, and offers guidance on matters including but not limited to the following;

- The separation of the roles, functions, responsibilities and powers of the Board and its individual members;²
- Powers delegated to the Board committees;
- Matters reserved for final decision-making and approval by the Board;
- Policies and practices of the Board on matters of corporate governance, directors' declarations and conflict of interest, conduct of Board and Board committee meetings;
- Board Induction

The role and responsibilities of the Board

The Board of Directors provides leadership through oversight, review and guidance whilst setting the strategic direction for the organization. It is the primary decision-making body for all matters considered as material to the Agency. The Board has a formal schedule of matters reserved for it. The Directors receive appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational, compliance

and governance matters. Ultimately, the Board determines the organization's strategic objectives, values, key policies and procedures in accordance with best practice. The Board has delegated the authority for day-to-day management of the organization to the Chief Executive Officer. However, it maintains overall responsibility for the Agency's performance, compliance functions as well as monitoring of its operations and ensuring competent management of the business.

Composition of the Board of Directors

The Board of Directors comprised of eight (8) members; the Chairman who is a non-executive director, and four non-executive independent directors and three directors from government representing the Principal Secretary for Ministry of Water, Sanitation and Irrigation, the National Treasury and Inspectorate of state corporations. The Chief Executive Officer is the Secretary to the Board and its committees. The Board has an appropriate balance of skills, knowledge and experience to perform its role effectively. All directors are subject to periodic re-appointment in accordance with the State Corporations Act, the Office of the President and the Ministry of Water, Sanitation and Irrigation.

Induction and on-going development

On appointment, the directors were inducted and the induction programme included specific sessions with the management across the units for clarity and better understanding of the organizations' functions, roles and accountabilities, business model and operations. The directors were sensitized on the legal, regulatory and other obligations of a director of a State Corporation. During the year the Board attended corporate governance audit as well as audit training.

Board Committees

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

i. Finance and Administration Committee

Its main duties are: - to review financial statements, annual budgets, Procurement Plan and periodic review of staff remuneration and terms of service; appointments and disciplinary actions for senior staff; and general welfare of the Board's employees.

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S/NO	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	Philomena Chenangat Loitarengan	5	4
2.	Isaac Maiyo	5	4
3.	PS Water, Sanitation and Irrigation	5	5
4.	CS National Treasury	0	0

ii. Technical Committee

Its main duties include issues arising from the Agency's stewardship of essential water and sanitation infrastructure and has a duty of reviewing the conditions and performance of technical assets including projects. The committee is also tasked with safeguarding the environment and ensuring stakeholder engagements during implementation of projects.

S/NO	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	Isaac Maiyo	4	4
2.	Philomena Chenangat Loitarengan	4	2
3.	PS Water, Sanitation and Irrigation	4	4

iii. Corporate Affairs Committee

Its main duties include oversee legal matters, ICT and Corporate performance and Corporate communication

S/NO	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	Margaret C Sang Kirui	4	4
2.	Christopher Epokot Ekuwom	4	4
3.	PS Water, Sanitation and Irrigation	4	4

iv. Audit and Risk Committee

The committee is responsible for assisting the Board of Directors in fulfilling its oversight responsibilities in relation to governance matters.

S/NO	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	Christopher Epokot Ekuwom	4	4
2.	Margaret C Sang Kirui	4	4
3.	CS National Treasury	0	0

v. Full Board Meetings

S/NO	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	David Chemweno	7	7
2.	Philomena Chenangat Loitarengan	7	4
3.	Christopher Epokot Ekuwom	7	7
4.	Isaac Maiyo	7	7
5.	Margaret C Sang Kirui	7	7
6.	PS Water, Sanitation and Irrigation	7	6
7.	CS National Treasury	7	0
8.	Inspectorate of State Corporations	7	3

8. MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

The Agency received an allocation of shillings fifty million (Kshs.50,000,000) for the financial year 2021-22 for recurrent expenditures. In addition, it received Kshs.116,741,000 Ministry of Water, Sanitation and Irrigation for construction of rural water projects and shillings sixty-three million (Kshs.63,000,000) received under development for Soy Kosachei and Moisbridge matunda. From the recurrent amount of Kshs.50,000,000 the Agency spent Kshs.19,028,815 under Use of Good and Services against a budget of Kshs.23,067,890, Kshs.13,150,075 for Board Expenses against a budget of Kshs.13,260,000 Kshs.3,055,751 for repairs and maintenance against a budget of Kshs.8,129,610 and Kshs.5,353,129 for employee cost against a budget of Kshs.5,542,500

The Agency also continued to receive support from Ministry of Water Sanitation and Irrigation, Lake Victoria North Water Works Development Agency, Central Rift Valley Water Works Development Agency and Athi Water Works Development Agency through the payment of salaries for the seconded staff. The cost of the salaries amounted to Kshs.6,241,418 for ministry staff, Ksh.6,281,800 for Central Rift Valley Water works development Agency staff, Kshs.8,454,168 from Lake Victoria North Water Works Development Agency and Kshs.5,243,356 from Athi Water Works Development Agency.

Key Projects

The Agency received Kshs.63,000,000 under development for Soy Kosachei water supply project and Moisbridge Matunda water supply project and Kshs.116,741,000 to implement various projects which include Kosich Embobut phase II, Tot water supply, flax dispensary borehole, Rukuini secondary school borehole, Tulwet dispensary and Chepararia subcounty hospital borehole. There are other projects being implemented by Central Rift Valley Water Works Development Agency on behalf of the Agency. These include Kipkaren Water supply Project, Eldoret Last Mile Sewerage Project, Chepararia Sewerage Project and Kapenguria-Makutano Sewerage Project. The projects are being financed by African Development Bank through Kenya Towns Sustainable Program.

Major Risks

The Agency is faced with the following risks:

- i) Cashflow challenges due to lack of budgetary allocations.
- ii) Delays in receipt of projected revenues
- iii) Inadequate staffing levels
- iv) Covid 19 pandemic

Compliance with statutory requirements

The regulatory environment remains an area of significance to our operations. NRVWDA continued to ensure compliance with Constitution of Kenya 2010 (CoK 2010), the PFM Act, PFM Act, the State Corporations Act, the Water Act 2016 and all the relevant government circulars as issued from time to time. All the statutory deductions and other requirements were submitted to the relevant authorities in time.

Key challenges

The Agency continued to operate amidst of several challenges including:

1. Lack of budgetary allocations for the financial year.
2. Inadequate staffing levels.
3. Covid 19 pandemic.
4. Inadequate office equipment.

Future Developments

During the financial year the Agency developed and launched its strategic plan for five years upto 2026 which detailed projects that the agency intends to develop. The projects include rehabilitation of existing water supplies, development of new water and sanitation projects in the four counties and carry out institutional strengthening.

Material arrears in statutory and other financial obligations

During the financial year the Agency did not have any Material arrears in statutory and other financial obligations.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the Agency's policies and activities that promote sustainability.

i) Sustainability strategy and profile

In order to ensure sustainability, the Agency has put in place various strategies which include diversification of resource mobilization by preparing and participating in national budgeting process, involvement of public private partnership, engineering procuring, contracting and financing, preparation of bankable project proposals, framework for loan repayments by water services providers, invest in sustainable technologies in water and sanitation programs such as gravity system and green energy. The agency ensures continuous monitoring of abstractions to avoid depletion of water resources, incorporate planting of trees during project implementation.

The Agency while undertaking resource mobilization process considers the prevailing social political and economic environment in the country which include the attractiveness of the financial resources and the repayment conditions.

ii) Environmental performance

The Agency fully adheres to the environmental management and coordination act (EMCA) 1999 which requires the Agency to prepare environmental impact assessment and acquire licence before construction of projects. The Agency ensure the contractors adheres to environmental and social management plan which requires contractors to provide personal protective equipment to staff on site, secure excavations and water dusty areas. The Agency will also require contractors to submit quarterly environmental and safety reports in the prescribed format. The Agency will also ensure Water Service Providers operating sewerage facilities comply with the effluent discharge standards as per Water Resource Authority guidelines. The Agency is developing an environmental policy to guide.

iii) Employee welfare

The Agency human resource and policy manual has an elaborate policy guideline which cover recruitment, placement, training, remuneration, rewards, performance management system and promotion among others.

In implementing this policy, the Agency will put into consideration national diversity, gender and special group while exercising fairness and equity. Under the same human resource policy there are clear guideline of handling staff welfare issues which include non-discrimination on gender, on account of HIV/AIDS, counselling, drug and substance abuse, care and support. The Agency will comply with Occupational Safety and Health Act of 2007, (OSHA) by installing fire extinguishers, proper cabling of wires and providing enough ventilation on the offices.

iv) Market place practices-

The Agency undertakes the following:

a) Responsible competition practice.

The Agency ensures compliance with Public Procurement and Disposal Act 2015 by undertaking open and competitive tendering while selecting suppliers and contractors by ensuring tenders are advertised in national circulation dailies, evaluations of tenders are done as per criteria set out in the bidding documents, all clarifications are circulated to all bidders.

b) Responsible Supply chain and supplier relations

The Agency ensures that contracts are entered into when funds are available and ensure prompt payments upon inspection of goods, works and services. The Agency will carry out capacity building for bidders on the laws governing procurement processes.

c) Responsible marketing and advertisement

The Agency carries out annual market surveys and submit quarterly reports of all procurement activities to Public Procurement and Regulatory Authority (PPRA).

d) Product stewardship

The Agency will ensure Water Services Providers charge consumers as per approved tariff by Water Services Regulatory Board. It will also ensure clean and safe water is distributed to consumers by carrying out frequent water quality tests.

v) Corporate Social Responsibility / Community Engagements

North Rift Valley Water Works Development Agency Corporate recognizes Social Responsibility (CSR) as a vital activity in the Agency. We are therefore committed to the cause of social service and will channel part of our resources and activities to the communities in our area of jurisdiction, thus positively affect the society socially, ethically and also environmentally.

The Agency participated in tree planting exercise for restoration of Kaptagat forest in Elgeyo Marakwet county.

10. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 30th June 2022, shows the state of affairs of the Agency.

Principal activities

The principal activity of the Agency is to develop, manage and maintain water and sanitation infrastructure in the counties of Uasin Gishu, West Pokot, Turkana and Elgeyo Marakwet.

Results

The results of the Agency for the year ended 30th June, 2022 are set out on page 1.

	Kshs
Surplus/ (Deficit) before depreciation and finance costs	64,897,441
Less: Depreciation	(2,041,585)
Surplus/ (Deficit) before finance costs	62,855,856

Net Surplus for the period

The Agency registered a Surplus of **Ksh. 62,855,856** during the year.

Directors

The members of the Board of Directors who served during the year are shown on page VIII and IX. However, Director Kimani who was alternate director for the Principal Secretary Ministry of Water, Sanitation and Irrigation retired in May 2022 and was replaced by Eng Patricia Kiarie. Additionally, Director Philomena Chenangat resigned in February 2022.

Auditors

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

By Order of the Board



Edwin C Rotich
Chief Executive Officer

Date: 24/03/2023

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act 446, require the Directors to prepare financial statements in respect of the, which give a true and fair view of the state of affairs of the Agency at the end of the financial year/period and the operating results of the Agency for that year/period. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes:


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

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012 and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2022, and of the Agency's financial position as at that date. The 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 Directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Agency's financial statements were approved by the Board on 19th September, 2022 and signed on its behalf by:

Signature 

Name **DAVID CHEMWENO**
Chairperson of the Board

Signature 

Name **EDWIN C. ROTICH**
Chief Executive Officer

REPUBLIC OF KENYA

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Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON NORTH RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2022

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 North Rift Valley Water Works Development Agency set out on pages 1 to 82, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison

Report of the Auditor-General on North Rift Valley Water Works Development Agency for the year ended 30 June, 2022

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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of North Rift Valley Water Works Development Agency as at 30 June, 2022, 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 Water Act, 2016.

Basis for Qualified Opinion

Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.7,824,531 which includes Furniture and Fittings, Computers and Capital Work in Progress balances of Kshs.3,062,625, Kshs.2,412,358 and Kshs.2,349,548 respectively as disclosed in Note 33 to the financial statements. The physical verification however, revealed that the assets of the Agency were not tagged for ease of identification and tracking.

In the circumstance, the accuracy and completeness of the property, plant and equipment balance of Kshs.7,824,531 could not be confirmed.

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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2022 reflects final expenditure budget and actual on comparable basis of Kshs.193,850,195 and Kshs.130,994,339 respectively resulting to an under-expenditure of Kshs.62,855,856 or 32% of the budget.

The under-expenditure affected the planned activities and programs and impacted negatively on service delivery to the public.

2. Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular.

Other Information

The Board of Directors is responsible for the other information, which comprises the Agency Chairman's Statement, report of Chief Executive, statement of the Agency's Performance against Pre-Determined Objectives, Corporate Governance Statement, Management Discussions and Analysis, Environmental and Sustainability reporting statement of Corporate Social Responsibility, Directors report and the statement of Management Responsibilities. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

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. Kosich - Embobut Water Supply Project

The statement of financial performance for the year under review reflects grants and subsidies amount of Kshs.62,144,242 for community development (Rural Water Supply Projects) as disclosed in Note 22 to the financial statements. Examination of the documents provided revealed a payment of Kshs.2,843,133 for construction of Kosich-Embobut Water Supply Project under Contract No. NRV/KOS-EMB/EMC/08/2020-2021). The contract was signed on 10 September, 2021 and the project was to be completed within eight (8) months. The following anomalies were however, noted:

- (i) The project completion has been delayed by 8 months. No reason has been given by Management for this inordinate delay.
- (ii) A site visit to Kosich-Embobut water supply project on 13 February, 2023, revealed that the project had no water.

In the circumstances, the community has not gotten value for money from the project due to delay in project completion.

2. Drilling, Equipping and Civil Works of Flax Dispensary Borehole

The statement of financial performance for the year under review reflects grants and subsidies amount of Kshs.62,144,242 for community development (Rural Water Supply Projects) as disclosed in Note 22 to the financial statements. Examination of documents provided revealed that a payment of Kshs.2,199,049 was made to a contractor for drilling, equipping and civil works at Flax dispensary borehole under contract No. NRV/FLAX/EMC/02/2020-2021. The procurement records revealed that the project duration was four (4) months, commencing on 20 December, 2021 to 20 April, 2022. The following anomalies were however, noted:

- (i) The project completion period has been delayed by 8 months and no reason has been given by Management for the delay.
- (ii) The certificate of analysis for the water samples taken for laboratory testing revealed that the borehole water was unsuitable for human consumption.
- (iii) A site visit to Flax dispensary on 13 February, 2023, revealed that water from the borehole was unavailable due to faulty borehole equipment.

In the circumstances, the community has not gotten value for money from the project due to the faulty equipment and the unsuitable water for human consumption.

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. Lack of Risk Management Policy

As reported previously the Agency operated without a risk management policy contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires each National entity to develop risk management strategies and a system of risk management.

In the circumstances, Management was in breach of the law.

2. Inadequate Staffing of Finance and Accounting Department

As reported previously, the Finance and Accounting Department is not adequately staffed, to effectively and efficiently carry out its mandate and the Finance Manager carried out the functions of budgeting, processing of payments, receiving and making payments, updating of cash books, updating of general and subsidiary ledgers, preparation of monthly reconciliation statements, preparation of quarterly and annual financial statements among other duties.

In the circumstance, segregation of duties for effective controls was lacking and effective service delivery was not possible.

3. Lack of Information Communication Technology (ICT) Strategy

During the year under review, the Agency did not have an IT strategic committee, Data Recovery Plan (DRP) and IT security policy that are vital in effective and efficient management of the entity's IT resources. Further, the Agency did not have an IT steering committee which is important in performing oversight function and formulation of policies to ensure that IT department functions effectively and assist in achievement of organizational objectives in an economic, efficient and effective manner. In addition, the Agency did not have periodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures.

In the circumstances, business continuity may not be possible in case system failure and electronic technology is ineffective.

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

Responsibilities of Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Agency's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the 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 the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 May, 2023

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

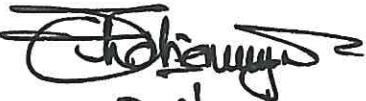
	Note	2021-2022	2020-2021
Revenue from non-exchange transactions			
Transfers from other Governments Entities	6	192,961,742	94,211,862
Levies, Fines and Penalties	7	888,453	-
Public Contributions and Donations	8	-	-
Property Taxes Revenue	9	-	-
Licenses, Fees and Permits	10	-	-
		193,850,195	94,211,862
Revenue from exchange transactions			
Rendering of Services	11	-	-
Sale of goods	12	-	-
Rental Revenue from facilities and equipment	13	-	-
Finance Income	14	-	-
Other Income	15	-	-
Total revenue		193,850,195	94,211,862
Expenses			
Use of Goods and Services	16	19,028,815	11,795,636
Employee costs	17	31,573,871	23,527,423
Board Expenses	18	13,150,075	4,644,883
Depreciation and Amortization Expense	19	2,041,585	1,164,972
Repairs and Maintenance	20	3,055,751	1,773,370
Contracted Services	21	-	-
Grants and Subsidies	22	62,144,242	6,708,240
Finance Cost	23	-	-
Total expenses		130,994,339	49,614,524
Other gains/(losses)			
Gain on sale of assets	24	-	-
Gain on foreign exchange transactions		-	-
Unrealized gain on fair value of investments	25	-	-
Impairment loss	26	-	-
Surplus/(Deficit) before tax		62,855,856	44,597,338
Taxation	27	-	-
Surplus/(Deficit) for the period/Year		62,855,856	44,597,338
Remission to National Treasury	51	-	-
Net Surplus for the year		62,855,856	44,597,338
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-
		-	-

**North Rift Valley Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2022.**


The notes set out on pages 12 to 77 form an integral part of the Financial Statements

The Financial Statements set out on pages 1 to 11 were signed on behalf of the Board of Directors by:


Chief Executive Officer
Edwin C. Rotich


Date.....24/03/2023

Head of Finance & Strategy
CPA Titus Chesire
ICPAK No. 21106


Date.....24/03/2023

Chairman of the Board
David C. Chemweno


Date.....24/03/23

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	28	173,760,318	50,308,660
Current portion of receivables from exchange transactions	29(a)	426,000	-
Receivables from non-exchange transactions	30	-	-
Inventories	31	-	-
Investments	32	-	-
Total Current Assets		174,186,318	50,308,660
Non-Current Assets			
Property, plant and equipment	33	7,824,531	4,882,328
Investments	32	-	-
Intangible assets	34	-	-
Investment property	35	-	-
Long term receivables from exchange transactions	29(b)	-	-
Total Non- Current Assets		7,824,531	4,882,328
Total Assets		182,010,849	55,190,988
Liabilities			
Current Liabilities			
Trade and other payables	36	4,617,150	4,546,350
Refundable deposits from customers	37	-	-
Current Provision	38	-	-
Finance lease obligation	39	-	-
Current portion of borrowings	43	-	-
Deferred income	40	-	-
Employee benefit obligation	41	217,205	-
Taxation	51	-	-
Total Current Liabilities		4,834,355	4,546,350
Non-Current Liabilities			

**North Rift Valley Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2022.**

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Non-current employee benefit obligation	41	-	-
Non-current provisions	42	-	-
Borrowings	43	-	-
Service concession liability	44	-	-
Deferred tax liabilities	52	-	-
Total Non- Current Liabilities		-	-
Total Liabilities		4,834,355	4,546,350
Net assets			
Capital Reserves		66,516,743	6,047,300
Accumulated surplus		110,659,751	44,597,338
Capital Fund			-
Total Net Assets		177,176,494	50,644,638
Total Net Assets and Liabilities		182,010,849	55,190,988

The Financial Statements set out on pages 1 to 11 were signed on behalf of the Board of Directors by:


Chief Executive Officer
Edwin C. Rotich


Date.....24/03/2023.....

Head of Finance & Strategy
CPA Titus Chesire
ICPAK No. 21106


Date.....24/03/2023.....

Chairman of the Board
David C. Chemweno


Date.....24/03/23.....

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15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	not es	Ordinar y share capital	Revaluati on reserve	Fair value adjustm ent reserve	Retained earnings	Prop osed divid ends	Capital/ Developme nt Grants/Fun d	Total
As at July 1, 2020		-	-	-	-	-	-	-
Issued new capital		-	-	-	-	-	-	-
Revaluation gain		-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation		-	-	-	-	-	-	-
Deferred tax on excess depreciation		-	-	-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-	-	-
Surplus/ Deficit for the year		-	-	-	44,597,338	-	-	44,597,338
Capital/Development grants received during the year		-	-	-	-	-	6,047,300	6,047,300
Transfer of depreciation/amortisation from capital fund to retained earnings		-	-	-	1,164,972	-	(1,164,972)	-
Dividends paid		-	-	-	-	-	-	-
Interim dividends paid		-	-	-	-	-	-	-
Proposed final dividends		-	-	-	-	-	-	-
As at June 30, 2021		-	-	-	45,762,310	-	4,882,328	50,644,638
As at July 1, 2021		-	-	-	45,762,310	-	4,882,328	50,644,638
Issue of new share capital		-	-	-	-	-	-	-
Revaluation gain		-	-	-	-	-	-	-

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	not es	Ordinar y share capital	Revaluati on reserve	Fair value adjustm ent reserve	Retained earnings	Prop osed divid ends	Capital/ Developme nt Grants/Fun d	Total
Transfer of excess depreciation on revaluation		-	-	-	-	-	-	-
Deferred tax on excess depreciation		-	-	-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-	-	-
Surplus/ deficit for the year		-	-	-	62,855,856	-	-	62,855,856
Capital/Development grants received during the year		-	-	-	-	-	63,676,000	63,676,000
Transfer of depreciation/amortisation from capital fund to retained earnings		-	-	-	2,041,585	-	(2,041,585)	-
Dividends paid		-	-	-	-	-	-	-
Interim dividends paid		-	-	-	-	-	-	-
Proposed final dividends		-	-	-	-	-	-	-
As at June 30, 2022		-	-	-	110,659,751	-	66,516,743	177,176,494

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

		2021-2022	2020-2021
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	166,741,000	94,211,862
Levies, Fines, and penalties	7	888,453	-
Public contributions and donations	8	-	-
Property taxes revenue	9	-	-
Licenses and permits	10	-	-
Rendering of services	11	-	-
Sale of goods	12	-	-
Rental revenue from facilities and equipment	13	-	-
Finance income	14	-	-
Other income	15	-	-
Total Receipts		167,629,453	94,211,862
Payments			
Use of goods and services	16	21,432,461	7,455,286
Employee costs	17	5,135,924	23,527,423
Board Expenses	18	13,266,075	4,528,883
Repairs and maintenance	20	3,055,751	1,773,370
Contracted services	21	-	-
Grants and subsidies	22	59,979,796	6,618,240
Total Payments		102,870,007	43,903,202
Net cash flows from/(used in) operating activities	45	64,759,446	50,308,660
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	33	(4,307,788)	(6,047,300)
Proceeds from sale of property, plant and Equipment		-	-
Decrease/(Increase) in non-current receivables		-	-
Purchase of investments		-	-
Sale of investments		-	-
Net cash flows from/(used in) investing activities		(4,307,788)	(6,047,300)

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		2021-2022	2020-2021
	Notes	Kshs	Kshs
Cash flows from financing activities		-	
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Transfer of capital grants from other government entities	6	63,000,000	6,047,300
Increase in capital funds			-
Net cash flows from / (used in) financing activities		63,000,000	6,047,300
Net increase/(decrease) in cash & Cash equivalents		123,451,658	-
Cash and cash equivalents at 1 July	28	50,308,660	-
Cash and cash equivalents at 30 June	28	173,760,318	50,308,660

The Financial Statements set out on pages 1 to 11 were signed on behalf of the Board of Directors by:


Chief Executive Officer
Edwin C. Rotich


Date.....24/03/23.....

Head of Finance & Strategy
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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfer from Central Rift Valley Water Works Development Agency	-	6,281,800	6,281,800	6,281,800	-	100
Transfer from Ministry of Water, Sanitation and Irrigation	50,000,000	122,982,418	172,982,418	172,982,418	-	100
Transfer from Lake Victoria North Water Works Development Agency	-	8,454,168	8,454,168	8,454,168	-	100
Transfer from Athi Water Works Development Agency	-	5,243,356	5,243,356	5,243,356	-	100
Levies, Fines and Penalties	-	-	-	-	-	-
Public Contributions and Donations	-	-	-	-	-	-
Property Taxes Revenue	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Rendering of Services	-	-	-	-	-	-
Sale of Goods	-	-	-	-	-	-
Rental Revenue from Facilities and Equipment	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-
Agency Income	-	-	-	-	-	-
Other Income	-	888,453	888,453	888,453	-	-
Total income	50,000,000	143,850,195	193,850,195	193,850,195	-	100
Expenses						
Use of Goods and Services	29,530,000	-6,462,110	23,067,890	19,028,815	-4,039,075	82
Employee costs	1,510,000	30,253,242	31,763,242	31,573,871	-189,371	99

Remuneration of Directors	10,660,000	2,600,000	13,260,000	13,150,075	-109,925	99
Depreciation and Amortization	-	-	-	2,041,585	2,041,585	100
Repairs and Maintenance	8,300,000	-170,390	8,129,610	3,055,751	-5,073,859	37
Contracted services	-	-	-	-	-	-
Grants and subsidies	-	117,629,453	117,629,453	62,144,242	-55,485,211	53
Total expenditure	50,000,000	143,850,195	193,850,195	130,994,339	-62,855,856	
Surplus for the period	-	-	-	62,855,856		

Explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

- Use of goods and services budget had an absorption of 82% because included in the budget is payment of rent arrears of Kshs.3,088,700 and legal cost of Kshs.283,178 whose expense was expensed in the FY 2020-21
- Repairs and Maintenance budget had an absorption of 37% because included in the budget is a cost of Kshs.5,000,000 for procurement of laptops and Enterprise Resource Planning (ERP) which are capital in nature and not part of expenses in the income statement.
- Grants and subsidies were under absorbed because the projects commenced after the financial year had started.

Explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

- Total Revenue: The difference between the original budget revenue and the final budget revenue is that the final budget revenue include Kshs.116,741,000 received from ministry of water, Sanitation and Irrigation for development of water projects in the Agency area of jurisdiction and Kshs.26,220,742 being salary of seconded staff to the Agency paid by the respective institutions they came from.

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- Total Expenditure: The difference between the original budget expenses and the final budget expenses is that the final budget expenses include Kshs.116,741,000 relating to expenses for projects whose funds were received from ministry of water, Sanitation and Irrigation for development of water projects in the Agency area of jurisdiction and Kshs.26,220,742 being salary of seconded staff to the Agency paid by the respective institutions they came from.

18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Agency is established pursuant to the Water Act No. 43 of 2016 and it derives its mandate from section 68 of the water Act. The Agency is wholly owned by the Government of Kenya and is domiciled in Kenya. The Agency's principal activity is to develop, manage and maintain water and sanitation infrastructure in its area of jurisdiction.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act, Water Act 2002, and International Public Sector Accounting Standards (IPSAS).

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2022.*

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

- ii. ***New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.***

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social</p>

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Standard	Effective date and impact:
	<p>benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement

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Standard	Effective date and impact:
	Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1 st January 2023.
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

The Agency did not early – adopt any new or amended standards in year 2021/2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

Rendering of services

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The Agency received an allocation of shillings fifty million (Kshs.50,000,000) for the financial year 2021-22 for recurrent expenditures. In addition, it received Kshs.116,741,000 Ministry of Water, Sanitation and Irrigation for construction of rural water projects and shillings sixty-three million (Kshs.63,000,000) received under development for Soy Kosachei and Moisbridge matunda. From the recurrent amount of Kshs.50,000,000 the Agency spent Kshs.19,028,815 under Use of Good and Services against a budget of Kshs.23,067,890, Kshs.13,150,075 for Board Expenses against a budget of Kshs.13,260,000 Kshs.3,055,751 for repairs and

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maintenance against a budget of Kshs.8,129,610 and Kshs.5,353,129 for employee cost against a budget of Kshs.5,542,500

The Agency also continued to receive support from Ministry of Water Sanitation and Irrigation, Lake Victoria North Water Works Development Agency, Central Rift Valley Water Works Development Agency and Athi Water Works Development Agency through the payment of salaries for the seconded staff. The cost of the salaries amounted to Kshs.6,241,418 for ministry staff, Ksh.6,281,800 for Central Rift Valley Water works development Agency staff, Kshs.8,454,168 from Lake Victoria North Water Works Development Agency and Kshs.5,243,356 from Athi Water Works Development Agency.

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

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

c) Taxes

Current income tax

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

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

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

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

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

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

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Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

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

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Agency 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.

On depreciation, the Agency charges depreciation on a straight-line method using the following depreciation rates.

Category	Estimated Useful Life	Depreciation rate
Water Supply Infrastructure	40 years	2.5%
Buildings	10 years	10%
Plant, Machinery and Equipment	5 years	20%
Office Equipment	8 years	12.5%
Motor Vehicles	4 years	25%
Computers and related equipment	3 years	33.3%
Furniture and Fittings	8 years	12.5%

f) Leases

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

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

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g) Intangible assets

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

h) Research and development costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

a) Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

Impairment of financial assets

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

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

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition., All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

k) Provisions

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

Where the Agency expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Contingent liabilities

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

m) Contingent assets

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

During the year the Agency did not have any contingent assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

n) Nature and purpose of reserves

The Agency creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

o) Changes in accounting policies and estimates

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

p) Employee benefits

Retirement benefit plans

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

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

q) Foreign currency transactions

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

r) Borrowing costs

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

s) Related parties

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

t) Service concession arrangements

The Agency analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Agency recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Agency also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Summary of Significant Accounting Policies (Continued)

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Significant Judgments and Sources of Estimation Uncertainty (Continued)

Useful lives and residual values

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

- a) The condition of the asset based on the assessment of experts employed by the Agency.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Transfers from Other Government Entities

Description	2021-2022	2020-2021
	KShs	KShs
Unconditional grants		
Operational grant	-	-
Other grants	-	-
Total Unconditional Grants	-	-
Conditional grants		
National housing grant	-	-
National infrastructure grant	-	-
Provincial health grant	-	-
Social services grant	-	-
Basic services subsidy	-	-
Transportation fund (international funding)	-	-
Other organizational grants	-	-
Total government grants and subsidies	-	-

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2021-22	Prior year 2020/2021
	KShs	KShs	KShs	KShs	KShs
Ministry of Water, Sanitation and Irrigation	172,982,418		63,000,000	235,982,418	60,509,810
Central Rift Valley Water Works Development Agency	6,281,800	-	676,000	6,957,800	19,359,217
Lake Victoria South Water Works	-	-	-	-	3,715,059

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Name of the Entity sending the grant	Amount recognized to Statement of Financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total transfers 2021-22	Prior year 2020/2021
			KShs	KShs	KShs
Development Agency					
Lake Victoria North Water Works Development Agency	8,454,168	-	-	8,454,168	10,627,776
Athi Water Works Development Agency	5,243,356			5,243,356	-
Total	192,961,742	-	63,676,000	256,637,742	94,211,862

North Rift Valley Water Works Development Agency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Levies, Fines and Penalties

Description	2021-2022	2020-2021
	KShs	KShs
Fuel levy	-	-
Other levies (Specify)	-	-
Fines	-	-
Penalties	888,453	-
Total	888,453	-

The Agency cashed in performance bond for Tuskany limited after the contractor failed to finish Kakiteitei Water Pan project.

8. Public Contributions and Donations

Description	2021-2022	2020-2021
	KShs	KShs
The Green Belt Movement	-	-
Health donations	-	-
Research donations	-	-
Other public donations (specify)	-	-
Total transfers and sponsorships	-	-
Reconciliation of public contributions and donations		
Balance unspent at beginning of the year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions to be met - remain liabilities	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Property Taxes Revenue

Description	2021-2022	2020-2021
	KShs	KShs
Taxable land and buildings		
Residential	-	-
Commercial	-	-
State	-	-
Penalties	-	-
Sub- total property and taxes	-	-
Income forgone	-	-
Total property taxes revenue	-	-

10. Licenses, Fees and Permits

Description	2021-2022	2020-2021
	KShs	KShs
Licenses	-	-
Fees	-	-
Permits	-	-
Total	-	-

11. Rendering Of Services

Description	2021-2022	2020-2021
	KShs	KShs
Waste management (solid waste)	-	-
Waste management (sewerage and sanitation)	-	-
Service fees	-	-
Water quality	-	-
Quality assurance	-	-
Total revenue from the rendering of services	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Sale of Goods

Description	2021-2022	2020-2021
	KShs	KShs
Sale of goods		
Sale of electricity	-	-
Sale of water	-	-
Sale of books	-	-
Sale of publications	-	-
Other (include in line with your organisation)	-	-
Total revenue from the sale of goods	-	-

13. Rental Revenue from Facilities and Equipment

Description	2021-2022	2020-2021
	KShs	KShs
Operating lease revenues	-	-
Staff houses	-	-
Contingent rentals	-	-
Total rentals	-	-

14. Finance Income

Description	2021-2022	2020-2021
	KShs	KShs
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Other Income

Description	2021-2022	2020-2021
	KShs	KShs
Insurance recoveries	-	-
Bulk infrastructure levies	-	-
Infrastructure improvement fee	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Agency fee	-	-
Total other income	-	-

16. Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Electricity	303,666	175,871
Water	54,565	42,601
Security	-	-
Professional Services	-	-
Subscriptions	47,000	-
Advertising	366,559	-
Admin Fees	-	-
Audit Fees	750,000	750,000
Conferences and Delegations	2,940,372	2,181,033
Consulting Fees	-	-
Consumables	-	855,022
Fuel and Oil	924,196	240,880
Insurance	157,576	-
Legal Expenses	129,200	633,178
Licenses and Permits	-	-
Chemicals	-	-
Water Purification Cost	-	-
Postage	90,010	-
Printing and Stationery	1,059,623	-
Hire Charges	-	-
Rental	4,663,200	3,088,700
Security Costs	-	-
Sewage Treatment Costs	-	-

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Description	2021-2022	2020-2021
	Kshs	Kshs
Skills Development Levies	-	-
Inventory Scrapping	-	-
Telecommunication	1,280,421	319,000
Training	773,314	-
Travel, Subsistence & Other Allowances*	5,009,870	3,242,419
Other General Expenses	479,243	266,932
Total Use of Goods and Services Costs	19,028,815	11,795,636

17. Employee Costs

	2021-2022	2020-2021
	KShs	KShs
Salaries and wages Central Rift Valley Water Works Development Agency	6,281,800	4,361,353
Salaries and wages Lake Victoria North Water Works Development Agency	8,454,168	7,941,201
Salaries and wages Lake Victoria South Water Works Development Agency	-	3,715,059
Salaries and wages Ministry of Water, Sanitation and Irrigation	6,241,418	7,509,810
Salaries and wages Athi Water Works Development Agency	5,243,356	-
Salaries and Wages	3,426,818	
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	-	-
Travel, motor car, accommodation, subsistence, and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Gratuity	-	-
Other employee related costs *	1,926,311	-
Employee costs	31,573,871	23,527,423

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. Board /Council Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman/Directors' Honoraria	960,000	560,000
Sitting Allowances	3,460,000	-
Medical Insurance	777,536	569,762
Induction and Training	3,131,060	-
Travel and Accommodation	4,821,479	3,515,121
Other Allowances	-	-
Total	13,150,075	4,644,883

19. Depreciation and Amortization Expense

Description	2021-2022	2020-2021
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	2,041,585	1,164,972
Investment property carried at cost	-	-
Total depreciation and amortization	2,041,585	1,164,972

20. Repairs and Maintenance

Description	2021-2022	2020-2021
	KShs	KShs
Property	1,477,021	-
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	1,578,730	1,773,370
Furniture and fittings	-	-
Computers and accessories	-	-
Others	-	-
Total repairs and maintenance	3,055,751	1,773,370

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. Contracted Services

Description	2021-2022	2020-2021
	KShs	KShs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Total contracted services	-	-

22. Grants and Subsidies

Description	2021-2022	2020-2021
	KShs	KShs
Community development (Rural Water Supply Projects)	62,144,242	6,708,240
Education initiatives and programs	-	-
Social development	-	-
Community trust	-	-
Sporting bodies	-	-
Total grants and subsidies	62,144,242	6,708,240

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. Finance Costs

Description	2021-2022	2020-2021
	KShs	KShs
Borrowings (amortized cost)	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount	-	-
Interest on Bank overdrafts	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

24. Gain on Sale of Assets

Description	2021-2022	2020-2021
	KShs	KShs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

25. Unrealized Gain on Fair Value Investments

Description	2021-2022	2020-2021
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

26. Impairment Loss

Description	2021-2022	2020-2021
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total impairment loss	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. Taxation

Description	2021-2022	2020-2021
	KShs	KShs
Current income tax charge	-	-
Tax charged on rental income	-	-
Tax charged on interest income	-	-
Deferred tax: [Note 53]	-	-
Original and reversal of temporary differences	-	-
Income tax expense reported in the statement of financial performance	-	-

28. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	KShs	KShs
Current account	173,760,318	50,308,660
Savings account	-	-
On - call deposits	-	-
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Others(specify)	-	-
Total cash and cash equivalents	173,760,318	50,308,660

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28 (a) Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	2021-2022	2020-2021
		KShs	KShs
a) Current account			
Kenya Commercial bank Revenue Account	1280469625	2,332,798	1,010
Kenya Commercial bank Recurrent Account	1280469390	1,907,995	59,421
Kenya Commercial bank Development Account	1280469552	169,519,525	50,248,229
Sub- total		173,760,318	50,308,660
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Kenya Commercial bank		-	-
Bank B		-	-
Sub- total		-	-
d) Staff car loan/ mortgage			
Kenya Commercial bank		-	-
Bank B		-	-
Sub- total		-	-
e) Others(specify)			
Cash in transit		-	-
cash in hand		-	-
Mobile money accounts		-	-
Sub- total		-	-
Grand total		-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 Receivables from Exchange Transactions

29(a) Current Receivables from Exchange Transactions

	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Service, water and electricity debtors	426,000	-
Other exchange debtors	-	-
Total current receivables	426,000	-

29(b) Long- term Receivables from Exchange Transactions

Description	2021-2022	2020-2021
	KShs	KShs
Total Receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
	-	-
Current portion transferred to current receivables	-	-
Total non-current receivables	-	-
Total receivables (a+b)	-	-

29 (c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment Allowance/ Provision	2021-2022	2020-2021
	KShs	KShs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 Receivables from Non-Exchange Transactions

Description	2021-2022	2020-2021
	KShs	KShs
Property tax debtors	-	-
Levies, Fines, and penalties	-	-
Licences, fees and permits	-	-
Other debtors (non-exchange transactions)	-	-
Less: impairment allowance	-	-
Total current receivables	-	-

30 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2021-2022	2020-2021
	KShs	KShs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

31 Inventories

Description	2021-2022	2020-2021
	KShs	KShs
Consumable stores	-	-
Medical supplies	-	-
Spare parts and meters	-	-
Water for distribution	-	-
Other goods held for resale	-	-
Catering	-	-
Less: Allowance for impairment	-	-
Total inventories at the lower of cost and net realizable value	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

32 Investments

Description	2021-2022	2020-2021
	KShs	KShs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b) Investment with Financial Institutions/ Banks		
Bank	-	-
Bank	-	-
Sub- total	-	-
c) Equity investments (specify)		
Equity/ shares	-	-
Sub- total	-	-
Grand total	-	-

d) Movement of Equity Investments

Impairment Allowance/ Provision	2021-2022	2020-2021
	KShs	KShs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Increase /(decrease) in fair value of investments	-	-
At the end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

e) Shareholding in other entities

For investments in equity share listed under note 32 above, list down the equity investments under the following categories:

Name of entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Shs	Shs	Shs
Entity	-	-	-	-	-	-
Entity	-	-	-	-	-	-
Entity	-	-	-	-	-	-
	-	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

33 Property, Plant and Equipment

Cost	Land and buildings	Motor vehicles	Furniture and fittings	Computer s	Other Assets (specify)	Plant and equipment	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 1 July 2020	-	-	-	-	-	-	-	-
Additions	-	-	4,083,500	1,963,800	-	-	-	6,047,300
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
As at 30th June 2021	-	-	4,083,500	1,963,800	-	-	-	6,047,300
Additions	-	-	-	2,634,240	-	-	2,349,548	4,983,788
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
As at 30th June 2022	-	-	4,083,500	4,598,040	-	-	2,349,548	11,031,088
Depreciation and impairment								
At 1 July 2020	-	-	-	-	-	-	-	-
Depreciation	-	-	510,437	654,535	-	-	-	1,164,972
Impairment	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-
As at 30 June 2021	-	-	510,437	654,535	-	-	-	1,164,972
Depreciation	-	-	510,437	1,531,147	-	-	-	2,041,585
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-
As at 30th June 2022	-	-	1,020,875	2,185,682	-	-	-	3,206,557
Net book values								

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Cost	Land and buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Plant and equipment	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 30th June 2021	-	-	3,573,063	1,309,265	-	-	-	4,882,328
As at 30th June 2022	-	-	3,062,625	2,412,358	-	-	2,349,548	7,824,531

Note on WIP. The work in progress of Kshs.2,349,548 relates to Kshs.1,410,505 payments in relation to capital projects which are Soy Kosachei and Moisbridge Matunda Water supply projects and payments of Kshs.939,043 being part payment for procurement of Enterprise Resource Planning (ERP) system.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Valuation

The Agency currently does not own land or building hence no valuation has been carried out.

33 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant and machinery	-	-	-
Motor vehicles, including motorcycles	-	-	-
Computers and related equipment	4,598,040	2,185,682	2,412,358
Office equipment, furniture, and fittings	4,083,500	1,020,875	3,062,625
	8,681,540	3,206,557	5,474,983

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

	Cost or Valuation	Normal Annual Depreciation Charge
Plant and machinery	-	-
Motor vehicles, including motor cycles	-	-
Computers and related equipment	-	-
Office equipment, furniture and fittings	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34 Intangible Assets

Description	2021-2022	2020-2021
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions–internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

35 Investment Property

Description	2021-2022	2020-2021
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
At end of the year	-	-

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36 Trade and Other Payables

Description	2021-2022	2020-2021
	KShs	KShs
Trade payables	4,617,150	4,546,350
Payments received in advance		-
Employee payables		-
Third-party payments		-
Other payables		-
Total trade and other payables	4,617,150	4,546,350

37 Refundable Deposits and Prepayments from Customers

Description	2021-2022	2020-2021
	KShs	KShs
Customer deposits	-	-
Prepayments	-	-
Other deposits	-	-
Payments received in advance	-	-
Total deposits	-	-

38 Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	KShs	KShs	KShs	KShs	KShs
Balance b/d	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Transfers from non-current provisions	-	-	-	-	-
Total provisions year end	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

39 Finance Lease Obligation

Description	2021-2022	2020-2021
	KShs	KShs
At the start of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Period	Amount
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: Unearned interest	-
	-

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

40 Deferred Income

Description	2021-2022	2020-2021
	KShs	KShs
National government	-	-
International funders	-	-
Public contributions and donations	-	-
Total deferred income	-	-

The deferred income movement is as follows:

	National government	International funders	Public contributions and donations	Total
Balance brought forward	-	-	-	-
Additions	-	-	-	-
Transfers to Capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

41 Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2021-2022	2020-2021
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	217,205	217,205	-
Non-current benefit obligation	-	-	-	-	-
Total employee benefits obligation	-	-	217,205	217,205	-

Retirement benefit Asset/ Liability

The Agency during the financial year did not have serving staff therefore it did not have defined scheme however upon recruitment of new staff the Agency will operate a defined benefit scheme for all full-time employees. Since the Agency did not have a pension scheme, actuarial valuation was not done

	2021-2022	2020-2021
	Kshs	Kshs
Discount rates	0%	0%
Future salary increases	0%	0%
Future pension increases	0%	0%
Mortality (Pre- retirement)	0%	0%
Mortality (Post- retirement)	0%	0%
Withdrawals	0%	0%
Ill health	0%	0%
Retirement	0years	0years

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

	2021-2022	2020-2021
Description	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from 0020 changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (Specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

	2021-2022	2020-2021
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded Status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net Asset or liability arising from defined benefit obligation	-	-

The Agency also contribute to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Agency's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1,080 per employee per month. Other than NSSF the Agency will also contribute to a defined benefits scheme once established or may join the water sector pension which is currently operational Employees contribute will 7.5% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

42 Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Less: Current portion	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

43 Borrowings

Description	2021-2022	2020-2021
	KShs	KShs
a) External Borrowings		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-
b) Domestic Borrowings		
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	-	-
Balance at end of the year	-	-
Balance at end of the period- Domestic and External borrowings c = a+b	-	-

The analyses of both external and domestic borrowings are as follows:

	2021-2022	2020-2021
	KShs	KShs
External Borrowings		
Dollar denominated loan from organization	-	-
Sterling Pound denominated loan	-	-
Euro denominated loan	-	-
Domestic Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Total balance at end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Description	2021-2022	2020-2021
	KShs	KShs
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
Total	-	-

44 Service Concession Arrangements

Description	2021-2022	2020-2021
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

45 Cash Generated from Operations

	2021-2022	2020-2021
	KShs	KShs
Surplus for the year before tax	62,855,856	44,597,338
Adjusted for:		
Depreciation	2,041,585	1,164,972
Non-cash grants received		-
Contributed assets		-
Impairment		-
Gains and losses on disposal of assets		-
Contribution to provisions		-
Contribution to impairment allowance		-
Finance income		-
Finance cost		-
Working Capital adjustments		
Increase in inventory		-
Increase in receivables	(426,000)	-
Increase in deferred income		-
Increase in payables	288,005	4,546,350
Increase in payments received in advance		-
Net cash flow from operating activities	64,759,446	50,308,660

NOTES TO THE FINANCIAL STATEMENTS (Continued)

46 Financial Risk Management

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

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

i) Credit risk

The Agency has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
As at 30 June 2022				
Receivables from exchange transactions	426,000	426,000	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	173,760,318	173,760,318	-	-
Total	174,186,318	174,186,318	-	-
As at 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	50,308,660	50,308,660	-	-
Total	50,308,660	50,308,660	-	-

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management

ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2022				
Trade payables	1,551,222	675,917	2,390,011	4,617,150
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	116,360	100,845	-	217,205
Total	1,667,582	776,762	2,390,011	4,834,355
As at 30 June 2021				
Trade payables	-	2,212,483	2,333,867	4,546,350
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	2,212,483	2,333,867	4,546,350

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management

iii) Market risk

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

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

The Agency's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Agency's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

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

The Agency manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management

The carrying amount of the Agency's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

FY 2022

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 June 2022			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total financial assets	-	-	-
Financial Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Total financial liabilities	-	-	-
Net foreign currency asset/(liability)	-	-	-

FY 2021

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 June 2021			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total financial assets	-	-	-
Financial Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Total financial liabilities	-	-	-
Net foreign currency asset/(liability)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Financial Risk Management

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Agency statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2022			
Euro	10%	-	-
USD	10%	-	-
2021			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that the Agency's financial condition may be adversely affected as a result of changes in interest rate levels. The Agency's interest rate risk arises from bank deposits. This exposes the Agency to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Agency's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management

Sensitivity analysis

The Agency analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (2021: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2022 – Kshs 0)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Agency's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

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The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
As at 30 June 2022				
Financial Assets				
Quoted equity investments	-	-	-	-
Non- financial Assets				
Investment property	-	-	-	-
Land and buildings	-	-	-	-
	-	-	-	-
As at 30 June 2021				
Financial Assets				
Quoted equity investments	-	-	-	-
Non- financial Assets				
Investment property	-	-	-	-
Land and buildings	-	-	-	-
	-	-	-	-

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

iv) Capital Risk Management

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

	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	110,659,751	44,597,338
Capital reserve	66,516,743	6,047,300
Total funds	177,176,494	50,644,638
Total borrowings		-
Less: cash and bank balances	173,760,318	50,308,660
Net debt/(excess cash and cash equivalents)	(173,760,318)	(50,308,660)
Gearing	0%	0%

47 Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Agency, holding 100% of the Agency's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Agency, both domestic and external.

Other related parties include:

- i) The Parent Ministry;
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) WASREB
- v) OAG
- vi) Key management;
- vii) Board of directors;

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Relates Party Disclosures

	2021-2022	2020-2021
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to Govt agencies	-	-
Rent Income from govt. agencies	-	-
Water sales to Govt. agencies	-	-
Others	-	-
Total	-	-
b) Purchases from related parties		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	4,663,200	3,590,350
Training and conference fees paid to govt. agencies		-
Others		-
Total	4,663,200	3,590,350
b) Grants /Transfers from the Government		
Transfer from Ministry of Water, Sanitation and Irrigation	235,982,418	60,509,810
Transfer from Central Rift Valley Water Works Development Agency	6,877,475	25,406,517
Transfer from Lake Victoria North Water Works Development Agency	8,402,092	10,627,776
Transfer from Lake Victoria South Water Works Development Agency	-	3,715,059
Transfer from Athi Water Works Development Agency	3,828,756	-
Total	255,090,741	100,259,162
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees		-
Payments for goods and services for		-
Total		-
d) Key management compensation		
Directors' emoluments	13,150,075	4,644,883
Compensation to key management	11,549,727	13,223,112
Total	24,699,802	17,867,995

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48 Segment Information

The Agency does not operate in different geographical regions or in departments and therefore there is no segmental reporting.

49 Contingent Assets and Contingent Liabilities

Contingent Assets

	2021- 2022	2020-2021
	Kshs	Kshs
Contingent assets		
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Reimbursable indemnities and guarantees	-	-
Receivables from other government entities	-	-
Others	-	-
Total	-	-

Contingent Liabilities

	2021- 2022	2020-2021
	Kshs	Kshs
Contingent liabilities	-	-
Court case against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from contracts including PPPs	-	-
Others (Specify)	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

50 Capital Commitments

Capital commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
Total	-	-

51 Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Agency made a surplus of Ksh 62,855,856 however the surplus was not remitted since the funds had been committed to projects.

The Surplus Remission has been computed as follows:

	2021-2022	2020-2021
	Kshs	Kshs
Surplus for the period	-	-
Less: Allowable deductions by NT	-	-
90% computation (Included in Statement of Financial performance)	-	-

Surplus Remission Payable

	2021-2022	2020-2021
	Kshs	Kshs
Payable at the beginning of the year	-	-
Paid during the year	-	-
Payable at end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

52 Taxation

	2021- 2022	2020-2021
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 27)	-	-
Under/(over) provision in prior year/s (note 27)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

53 Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

	2021- 2022	2020- 2021
	Kshs	Kshs
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
Net deferred tax liability/(asset)	-	-
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
Balance at end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

54 Events after the Reporting Period

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

55 Ultimate And Holding Entity

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

56 Currency

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

19. APPENDIX

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Budget Control and Performance</p> <p>The statement of comparison of budget and actual amounts for the year ended 30 June 2021 reflects final receipts budget and actual on comparable basis of Kshs.101,527,423 and Kshs.94,211,862 respectively resulting to an underfunding of Kshs.7,315,561 or 7% of the budget. Similarly, the statement of reflects final expenditure budget and actual on comparable basis of Kshs.101,527,423 and Kshs.49,614,524 respectively resulting to an under expenditure of Kshs.51,912,899 or 51% of the budget. The underfunding and under expenditure may have affected the planned activities and impacted negatively on service delivery to the public.</p>	<p>Lake Victoria North Water Works Development Agency did not manage to disburse the Kshs.7,315,561 due to inadequate budgetary allocation for the Agency. The under expenditure was due to late disbursements of projects funds which were disbursed at the end of the financial year</p>	<p>Yes. The Agency was given its own budgetary allocation during the FY 2021-22</p>	
2.	<p>Construction of Kakiteitei Water Pan</p> <p>The contract for construction of Kakiteitei water pan was awarded at the contract sum of Kshs.8,884,530 and was expected to take four months. Review of the procurement documents revealed that the winning bid was not responsive during the technical evaluation process but was however</p>	<p>The Committee defined that earth works and civil works in road works is similar to earth works to be carried out in construction of Kakiteitei water pan since it is the same machines involved in both roads and</p>	<p>Yes the Agency procured new contractor to finish the project</p>	<p>31st October 2022</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	awarded the tender contrary to regulations 76(2) of the Public Procurement and Assets Regulations 2020 which states that the evaluation committee shall reject tenders which do not satisfy the technical requirements. Further, verification of the project in September 2021, revealed slow progress in implementation of the project. In the circumstances, the management was breach of the law and completion of the project within the contract period was doubtful.	earthworks of the pan. Therefore, the Agency adhered to criteria set out in the bid document and hence adhere to Public Procurement and Asset Disposal Act, 2015 and its regulations of 2020. The contractor was terminated and new one procured after he failed to finish the project within the timelines		
3.	Construction of Chepchor water pan The contract for construction of Chepchor water pan was awarded at the contract sum of Kshs.8,873,298 for a period of four months. Verification of the project in September, 2021 revealed poor workmanship on some sections of the project while the other works had been partially carried out. Further the contractor was in breach of the law and completion of the project within the contract period was doubtful	The contractor was issued with instruction to address the poor workmanship on the section of the works and speed up the implementation of the works. The project was affected by insecurity in the area.	Not yet. The contractor has not addressed the outstanding works	31 st October 2022
4.	Lack of Risk Management Policy During the year, North Rift Valley Water Works Development Agency operated without a risk management policy contrary to section 165 (1) of the Public Finance Management (National Government) Regulations, 2015 which requires each national entity to develop risk management strategies and a system of risk management.		Not yet resolved	30 th June 2023
5.	Inadequate Staffing of Finance and Accounting Department The finance and accounting department of the North Rift Valley Water Works	The Agency will lobby for additional funding for	Not yet resolved	30 th June 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Development Review of the finance and accounting function revealed that the Agency is not adequately staffed to effectively and efficiently carry out its mandate as it had only a finance manager who carried out the functions of budgeting, processing of payments, receiving and making payments, updating of cash books, updating of general and subsidiary ledgers, preparation of monthly reconciliation statements, preparation of quarterly and annual financial statements among others. In the circumstances, segregation of duties for effective service delivery may not have been possible	recurrent to employ additional key staff.		
6.	<p>Lack of Information Communication Technology (ICT) Strategy During the year under review, the North Rift Valley Water Works Development Agency did not have in place; IT strategic committee, data recovery plan (DRP) and IT security policy that are vital in effective and efficient management of the entity's IT resources. Further, the agency did not have an IT steering committee which is important in performing oversight function and formulation of policies to ensure that IT department functions effectively to assist in achievement of organizational objectives in an economic, efficient and effective manner. In addition, the agency did not have Nperiodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures. In the circumstances, business continuity may not be possible incase of a disaster</p>	The Agency currently does not have an ICT officer who is expert in the process however the Agency has developed Human Resource Instruments which have since been approved by State Corporations Advisory Committee (SCAC) which will now be used to seek budgetary allocations during the next cycle of budgets. This will aid in employing new staff and priority has been given to ICT in order to implement the recommendations of the Audit.	Not Yet	30 th June 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
7.	<p>Lack of Internal Audit Function and an Audit Committee</p> <p>The Agency has not established an internal audit function and an Audit committee of the Board. This is contrary to section 155 of the public Finance Management Act 2012 which provides for the establishment of the internal audit function and an Audit Committee In the circumstance, the Agency did not benefit from the Assurance and Advisory services from the internal audit function as well as oversight from the Audit committee</p>	<p>The Agency does not have Internal Audit Section however we have been using the services of the Internal Auditor from central Rift Valley Water Works Development Agency.</p> <p>On audit committee, The Audit and Risk Committee of the Board was constituted on 27 th May 2021 during the full board meeting along with other board committees. The establishment of the committee was based on Mwongozo guidelines which provide guidance on the operations of Boards in State Corporations. The functions of the Audit and Risk Committee are outlined in the Committee charter</p>	<p>Not yet</p> <p>The Agency will continue to use the services of the internal Auditor until the Agency recruits its internal Auditor</p> <p>On Audit committee-Yes. The Agency has Board of Directors Audit committee</p>	<p>31st December 2022</p>

Chief Executive Officer

Date.....24/3/22


APPENDIX II: PROJECTS IMPLEMENTED BY THE AGENCY

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment (Ksh)	Separate donor reporting required as per the donor agreement (Yes/ No)	Consolidated in these financial statements (Yes/No)
Construction of Merur Water Pan		Government of Kenya	4months	10,000,000	No	Yes
Construction of Kakiteitei Water Pan		Government of Kenya	4months	10,000,000	No	Yes
Construction of Chepchor Water Pan		Government of Kenya	4months	10,000,000	No	Yes
Construction of Marakalo Lobei		Government of Kenya	6 months	15,000,000	No	Yes
Tot Water Supply Project		Government of Kenya	1year	40,000,000	No	Yes
Kosich Embobut Water Supply Project Phase I		Government of Kenya	6months	18,000,000	No	Yes
Kosich Embobut Water Supply Project Phase II		Government of Kenya	6months	20,000,000	No	Yes

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Rukuini Secondary School Borehole		Government of Kenya	4months	8,000,000	No	Yes
Chepareria subcounty hospital borehole		Government of Kenya	4months	7,500,000	No	Yes
Flax Dispensary Borehole		Government of Kenya	4months	7,500,000	No	Yes
Tulwet Dispensary Borehole		Government of Kenya	4months	8,000,000	No	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget (Ksh)	Actual (Ksh)	Sources of funds
1	Construction of Merur Water Pan	9,248,118	661,824	10%	10,000,000	10,000,000	Government of Kenya
2	Construction of Kakiteitei Water Pan	8,884,529	1,323,648	70%	10,000,000	10,000,000	Government of Kenya
3	Construction of Chepchor Water Pan	8,873,298	4,632,768	95%	10,000,000	10,000,000	Government of Kenya
4	Construction of Marakalo Lobei	11,664,147	0	1%	15,000,000	15,000,000	Government of Kenya
5	Tot Water Supply Project	58,749,636	0	1%	40,000,000	30,000,000	Government of Kenya

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	Project	Total project Cost	Total expenditure to date	Completion % to date	Budget (Ksh)	Actual (Ksh)	Sources of funds
6	Kosich Embobut Water Supply Project Phase I	16,822,123	2,843,133	60%	18,000,000	9,000,000	Government of Kenya
7	Kosich Embobut Water Supply Project Phase II	0	0	0%	20,000,000	20,000,000	Government of Kenya
8	Rukuini Secondary School Borehole	8,226,680	3,380,609	95%	8,000,000	8,000,000	Government of Kenya
9	Chepareria subcounty hospital borehole	7,066,836	2,342,142	80%	7,500,000	3,750,000	Government of Kenya
10	Flax Dispensary Borehole	7,593,190	2,199,049	95%	7,500,000	3,750,000	Government of Kenya
11	Tulwet Dispensary Borehole	8,276,180	3,139,242	95%	8,000,000	4,000,000	Government of Kenya

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized						Total Transfers during the Year KES
				Statement of Financial Performance KES	Capital Fund KES	Deferred Income KES	Receivables KES	Others - must be specific KES		
Ministry of Water, Sanitation and Irrigation	11-Aug-21	Recurrent	4,166,667	4,166,667	-	-	-	-	-	4,166,667
Ministry of Water, Sanitation and Irrigation	07-Sept-21	Recurrent	4,166,667	4,166,667	-	-	-	-	-	4,166,667
Ministry of Water, Sanitation and Irrigation	29-Sept-21	Recurrent	4,166,666	4,166,666	-	-	-	-	-	4,166,666
Ministry of Water, Sanitation and Irrigation	04-Nov-21	Recurrent	4,166,667	4,166,667	-	-	-	-	-	4,166,667
Ministry of Water, Sanitation and Irrigation	07-Dec-21	Recurrent	4,166,666	4,166,666	-	-	-	-	-	4,166,666
Ministry of Water, Sanitation and Irrigation	10-Jan-22	Recurrent	4,166,667	4,166,667	-	-	-	-	-	4,166,667

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Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year KES
				Statement of Financial Performance KES	Capital Fund KES	Deferred Income KES	Receivables KES	Others - must be specific KES	
Ministry of Water, Sanitation and Irrigation	07-Feb-22	Recurrent	4,166,667	4,166,667	-	-	-	-	4,166,667
Ministry of Water, Sanitation and Irrigation	02-Mar-22	Recurrent	4,166,666	4,166,666	-	-	-	-	4,166,667
Ministry of Water, Sanitation and Irrigation	04-April-22	Recurrent	4,166,667	4,166,667	-	-	-	-	4,166,667
Ministry of Water, Sanitation and Irrigation	09-May-22	Recurrent	4,166,667	4,166,667	-	-	-	-	4,166,667
Ministry of Water, Sanitation and Irrigation	07-June-22	Recurrent	4,166,666	4,166,666	-	-	-	-	4,166,667
Ministry of Water, Sanitation and Irrigation	30-June-22	Recurrent	4,166,667	4,166,667	-	-	-	-	4,166,667
Ministry of Water, Sanitation and Irrigation	16-May-2022	Development	8,250,000		8,250,000				8,250,000

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development /Others	Total Amount - KES	Where Recorded/recognized						Total Transfers during the Year KES
				Statement of Financial Performance KES	Capital Fund KES	Deferred Income KES	Receivables KES	Others - must be specified KES		
Ministry of Water, Sanitation and Irrigation	6-July-2022	Development	8,250,000		8,250,000					8,250,000
Ministry of Water, Sanitation and Irrigation	26-Aug-2021	Development	23,250,000		23,250,000					23,250,000
Ministry of Water, Sanitation and Irrigation	01-Nov-2021	Development	23,250,000		23,250,000					23,250,000
Ministry of Water, Sanitation and Irrigation	29-Oct-2021	Development	43,000,000	43,000,000						43,000,000
Ministry of Water, Sanitation and Irrigation	19-Nov-2021	Development	35,000,000	35,000,000						35,000,000
Ministry of Water, Sanitation and Irrigation	25-Nov-2021	Development	11,500,000	11,500,000						11,500,000
Ministry of Water, Sanitation and Irrigation	16-May-2022	Development	24,000,000	24,000,000						24,000,000

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year KES
				Statement of Financial Performance KES	Capital Fund KES	Deferred Income KES	Receivables KES	Others - must be specific KES	
Ministry of Water, Sanitation and Irrigation	23-June-2022	Development	3,241,000	3,241,000					3,241,000
Ministry of Water, Sanitation and Irrigation	30-July-2021	Recurrent	491,090	491,090					491,090
Ministry of Water, Sanitation and Irrigation	30-August-2021	Recurrent	491,090	491,090					491,090
Ministry of Water, Sanitation and Irrigation	30-September 2021	Recurrent	691,638	691,638					691,638
Ministry of Water, Sanitation and Irrigation	30-October-2021	Recurrent	512,080	512,080					512,080
Ministry of Water, Sanitation and Irrigation	30-November 2021	Recurrent	514,080	514,080					514,080
Ministry of Water, Sanitation and Irrigation	30-December-2021	Recurrent	550,080	550,080					550,080

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Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year KES
				Statement of Financial Performance KES	Capital Fund KES	Deferred Income KES	Receivables KES	Others - must be specified KES	
Ministry of Water, Sanitation and Irrigation	30-January-2022	Recurrent	420,960	420,960					420,960
Ministry of Water, Sanitation and Irrigation	30-February-2022	Recurrent	514,080	514,080					514,080
Ministry of Water, Sanitation and Irrigation	30-March-2022	Recurrent	514,080	514,080					514,080
Ministry of Water, Sanitation and Irrigation	30-April-2022	Recurrent	514,080	514,080					514,080
Ministry of Water, Sanitation and Irrigation	30-May-2022	Recurrent	514,080	514,080					514,080
Ministry of Water, Sanitation and Irrigation	30-June-2022	Recurrent	514,080	514,080					514,080
Lake Victoria North Water Works Development Agency	30-July-2021	Recurrent	672,312	672,312					672,312

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year KES
				Statement of Financial Performance KES	Capital Fund KES	Deferred Income KES	Receivables KES	Others - must be specific KES	
Lake Victoria North Water Works Development Agency	30-August-2021	Recurrent	672,312	672,312					672,312
Lake Victoria North Water Works Development Agency	30-September 2021	Recurrent	672,312	672,312					672,312
Lake Victoria North Water Works Development Agency	30-October-2021	Recurrent	674,688	674,688					674,688
Lake Victoria North Water Works Development Agency	30-November 2021	Recurrent	683,840	683,840					683,840
Lake Victoria North Water Works Development Agency	30-December-2021	Recurrent	705,788	705,788					705,788
Lake Victoria North Water Works Development Agency	30-January-2022	Recurrent	675,688	675,688					675,688
Lake Victoria North Water Works Development Agency	30-February-2022	Recurrent	675,688	675,688					675,688

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Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded / recognized						Total Transfers during the Year KES
				Statement of Financial Performance KES	Capital Fund KES	Deferred Income KES	Receivables KES	Others - must be specified KES		
Lake Victoria North Water Works Development Agency	30-March-2022	Recurrent	930,888	930,888						930,888
Lake Victoria North Water Works Development Agency	30-April-2022	Recurrent	680,888	680,888						680,888
Lake Victoria North Water Works Development Agency	30-May-2022	Recurrent	711,776	711,776						711,776
Lake Victoria North Water Works Development Agency	30-June-2022	Recurrent	697,988	697,988						697,988
Central Rift Valley Water Works Development Agency	30-July-2021	Development	676,000		676,000					676,000
Central Rift Valley Water Works Development Agency	30-July-2021	Recurrent	624,100	624,100						624,100
Central Rift Valley Water Works Development Agency	30-August-2021	Recurrent	381,100	381,100						381,100

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year KES
				Statement of Financial Performance KES	Capital Fund KES	Deferred Income KES	Receivables KES	Others - must be specific KES	
Central Rift Valley Water Works Development Agency	30-September 2021	Recurrent	381,100	381,100					381,100
Central Rift Valley Water Works Development Agency	30-October-2021	Recurrent	586,100	586,100					586,100
Central Rift Valley Water Works Development Agency	30-November 2021	Recurrent	586,100	586,100					586,100
Central Rift Valley Water Works Development Agency	30-December-2021	Recurrent	586,100	586,100					586,100
Central Rift Valley Water Works Development Agency	30-January-2022	Recurrent	638,400	638,400					638,400
Central Rift Valley Water Works Development Agency	30-February-2022	Recurrent	593,600	593,600					593,600
Central Rift Valley Water Works Development Agency	30-March-2022	Recurrent	593,600	593,600					593,600

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Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year KES
				Statement of Financial Performance KES	Capital Fund KES	Deferred Income KES	Receivables KES	Others - must be specified KES	
Central Rift Valley Water Works Development Agency	30-April-2022	Recurrent	593,600	593,600					593,600
Central Rift Valley Water Works Development Agency	30-May-2022	Recurrent	359,000	359,000					359,000
Central Rift Valley Water Works Development Agency	30-June-2022	Recurrent	359,000	359,000					359,000
Athi Water Works Development Agency	30-January-2022	Recurrent	834,526	834,526					834,526
Athi Water Works Development Agency	30-February-2022	Recurrent	862,526	862,526					862,526
Athi Water Works Development Agency	30-March-2022	Recurrent	890,526	890,526					890,526
Athi Water Works Development Agency	30-April-2022	Recurrent	862,526	862,526					862,526

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development /Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year KES
				Statement of Financial Performance KES	Capital Fund KES	Deferred Income KES	Receivables KES	Others - must be specific KES	
Athi Water Works Development Agency	30-May-2022	Recurrent	862,526	862,526					862,526
Athi Water Works Development Agency	30-June-2022	Recurrent	930,726	930,726					930,726
Total			256,637,742	192,961,742	63,676,000				256,637,742

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Appendix V- Inter-Entity Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary Entity]

[Insert Address]

The North Rift Valley Water Works Development Agency wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2022						
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30 th June 2022			Amount Received by [beneficiary Entity] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		

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Appendix VI: Reporting of Climate Relevant Expenditures

North Rift Valley Water Works Development Agency
0700 347 896
info@nrwwda.go.ke
Edwin Rotich

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
				Q1	Q2	Q3	Q4	

Note: During the financial year the Agency did not incur climate related expenditures

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Appendix VII: Disaster Expenditure Reporting Template

Date:						
Entity: North Rift Valley Water Works Development Agency						
Period to which this report refers (FY)	Year 2021-2022					Quarter Q2-Q4
Name of Reporting Officer	Edwin C. Rotich					
Contact details of the reporting officer:	Email info@nrwwda.go.ke					
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Drought Mitigation	Drought Mitigation	Drought	Mitigation	Water tracking	9,996,057	This include water tracking, and repair of water bowsers in west pokot and Turkana counties
				Supply and installation of tanks	8,184,904	This includes supply and delivery of 10,000 litre tanks
				Fuel of subsidy	396,650	Supply of fuel to diesel powered water pumps

