



REPUBLIC OF KENYA



*Enhancing Accountability*



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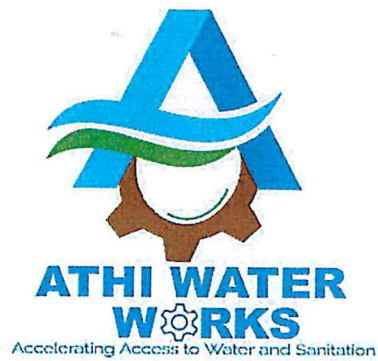
**THE AUDITOR-GENERAL**

**ON**

**ATHI WATER WORKS  
DEVELOPMENT AGENCY**

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





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ATHI WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING  
JUNE 30, 2020

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

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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TABLE OF CONTENTS	PAGE
KEY ENTITY INFORMATION AND MANAGEMENT .....	ii
THE BOARD OF DIRECTORS .....	v
MANAGEMENT TEAM .....	viii
CHAIRMAN'S STATEMENT .....	x
REPORT OF THE CHIEF EXECUTIVE OFFICER .....	xii
CORPORATE GOVERNANCE STATEMENT .....	xxvi
MANAGEMENT DISCUSSION AND ANALYSIS .....	xxxiii
CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY .....	xxxvii
REPORTING .....	xxxvii
REPORT OF THE DIRECTORS .....	xlvi
STATEMENT OF DIRECTORS' RESPONSIBILITIES .....	xlvi
REPORT OF THE INDEPENDENT AUDITORS ON ATHI WATER WORKS DEVELOPMENT AGENCY .....	xlvii
STATEMENT OF FINANCIAL PERFORMANCE .....	1
STATEMENT OF FINANCIAL POSITION .....	2
STATEMENT OF CHANGES IN NET ASSETS .....	3
STATEMENT OF CASHFLOWS .....	4
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020 .....	5
NOTES TO THE FINANCIAL STATEMENTS .....	8
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS .....	34
APPENDIX II: PROJECTS IMPLEMENTED BY AWWDA .....	41
APPENDIX III: INTER-ENTITY TRANSFERS .....	44
APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES .....	46

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

---

**KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

Athi Water Work Development Agency (AWWDA) was established under the Water Act 2016 and Gazetted on 26<sup>th</sup> April 2019 to start operation on 3<sup>rd</sup> May 2019. AWWDA's area of jurisdiction comprises of Nairobi City County, Kiambu County and Murang'a County. The entity is domiciled in Kenya and its office is in Africa Re Center, 3<sup>rd</sup> floor and a section of 1<sup>st</sup> Floor.

AWWDA draws its mandate from the Water Act of 2016. As per the Act, the Agency's mandate includes;

- a. Undertake the development, maintenance and management of National Public Waterworks;
- 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 waterworks are handed over to a county government, joint committee, authority of county government or water services provider,
- c. Provide reserve capacity for purposes of providing water services where 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 government and water providers,
- e. Provide to the cabinet secretary technical support in discharge of his or her functions under the constitution the Water Act 2016.

AWWDA is expected to contribute to accelerated delivery of water and sanitation services aimed at progressive realization of the right to water and reasonable standards of sanitation as provided for under Article 43 of the Constitution which states that, "*every person has the right to reasonable standards of sanitation and to clean and safe water in adequate quantities*".

**(b) Principal Activities**

The principal activity of the AWWDA is to ensure efficient, effective and sustainable provision of quality and affordable water services (defined to include sewerage) in its area of jurisdiction - Nairobi County, Kiambu County and Muranga County.

**(c) Key Management**

AWWDA's day-to-day management is under the following key organs:

- Chief Executive Officer
- Chief Manager-Water, Sewer and Sanitation
- Chief Manager- Finance and Strategy
- Chief Manager- Corporate Services

**(d) Fiduciary Management**

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

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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No.	Designation	Name
1.	Chief Executive Officer	Eng. Michael M. Thuita
2.	Chief Manager-Finance and Strategy	CPA Michael Kihungi Kimotho
3.	Chief Manager-Water, Sewer and Sanitation	Eng. Joseph Kamau
4.	Ag. Chief Manager Corporate Services	Mr. Joseph Mungai Kariuki

**(e) Fiduciary Oversight Arrangements**

The ultimate oversight authority of Athi Water Works Development Agency is exercised by the Board of Directors through the Full Board. To ensure that good corporate governance is enhanced and that power is properly exercised in the stewardship of the corporation's total portfolio of assets and resources to maintain stakeholder value, the Board of Directors has established three committees:

- i. Water and Sewerage
- ii. Resources and Governance
- iii. Audit and Risk

**(f) Entity Headquarters**

Athi Water Works Development Agency  
P.O. Box 45283-00100 GPO  
Africa-Re Centre, 3<sup>rd</sup> Floor  
Hospital Road-Upper Hill  
NAIROBI

**(g) Entity Contacts**

Telephone: (254) 020 2724292/3  
E-mail: info@awwda.go.ke  
Website: www.awwda.go.ke

**(h) Entity Bankers**

- |   |  |  |
|---|--|--|
| 1. Kenya Commercial Bank<br>Kipande House Branch<br>NAIROBI | 2. Cooperative Bank of Kenya<br>University Way Branch<br>NAIROBI | 3. SBM Group<br>Upper Hill Branch<br>NAIROBI |
| 4. NCBA Bank<br>Upper Hill<br>NAIROBI                       | 5. Stanbic Bank Kenya Limited<br>Kenyatta Avenue<br>NAIROBI      |  |

**(i) Independent Auditors**

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

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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**(j) Principal Legal Adviser**

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

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**THE BOARD OF DIRECTORS**

 <p><b>Hon. Eng. John Kiragu Chege</b></p>	<p>Chairman of the Board; appointed on 7<sup>th</sup> May 2019 Eng. John Kiragu Chege, Chairman of Athi Water Works Agency, Board of Directors, born in 1954, holds a Bsc degree in Mechanical Engineering from University of Nairobi and Msc Metallurgical Processes management from Sheffield England. He has been trained in many countries abroad in specialised fields covering design, material, development, construction and Quality Assurance and control evaluation systems.</p> <p>He is a Registered Professional Engineer with 40 years of public and private sector experience dedicated to local capacity development in manufacturing and construction through personnel training, Research and development, Quality Assurance and control programs.</p> <p>He promotes use of advanced technology Nondestructive testing (NDT) and condition monitoring applications for infrastructure projects such as water, oil and gas, transport and manufacturing industries. He has been the country representative to ICNDT for over 20 years.</p> <p>He was in the 11<sup>th</sup> parliament as the Member of Parliament for Limuru Constituency in Kiambu county. Eng Kiragu served in Housing and Infrastructure committee and also the Public investment committee of the National Assembly.</p>
 <p><b>Godfrey Ninito Lemiso</b></p>	<p>Mr Godfrey Ninito Lemiso was born on 24<sup>th</sup> December 1969. He holds a bachelors of Arts degree in geography and history from Kenyatta University, a masters of arts in peace and justice studies from University of San Diego California, USA.</p> <p>He has over 30 years of work experience having served in various positions such as conflict management officer with the World Bank from 2007 to 2009, program officer with the UNDP from 2009 to 2010. Mr Ninito has also worked for the IEBC as the Manager Electoral planning and logistics for seven years. He is currently serving the jubilee party in the position of Director Logistics and events.</p> <p>Over the years Mr Godfrey Ninito has been honored with various awards one of them being <b>2000 PEACENET PEACE AWARD</b> in recognition of peace initiatives he undertook in Narok and Trans Mara districts during 1992-1997 ethnic clashes. He serves as the chair of the NSCs capacity building and training subcommittee, member of Board of Governors of Kibiko Secondary School</p>
 <p><b>Beatrice Njeri Maina</b></p>	<p>Ms Beatrice Njeri Maina was born on 20<sup>th</sup> November 1990 and she holds a Bachelor of Arts degree in community development from Mount Kenya University. She also has a diploma in Community development and social work from MT Kenya University.</p> <p>She has served the public in various positions; office administrator in the office of Muranga women rep in 2015, director of philanthropy and social welfare in 2016.</p> <p>Currently Beatrice serves as the executive director and Chief Executive Officer Greening Kenya Foundation a Non-Profit registered organization focussing environmental conservation, tree planting, forest protection, Governance, awareness and advocacy.</p>



**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

 <p><b>Hon. Peter Irungu Kihungi</b></p>	<p>Hon Peter Irungu Kihungi was born on 9<sup>th</sup> September 1977 and he has a diploma in business management from pioneer international university.</p> <p>He has over 10 years work experience in public sector. He has served as councilor and chairman of Muranga county council from 2007 to 2013, member of county assembly and leader of majority from 2013-2017. He is currently an aspiring member of parliament for Kangema constituency.</p> <p>Hon. Peter Irungu Kihungi has been active in leadership articulating issues that matter to the people and promoting and defending government policies. He has strong leadership, communication, negotiation and persuasion skills.</p>
 <p><b>Sheila P.M. Mutunga</b></p>	<p>Ms Sheila P.M.Mutunga was born on 30<sup>th</sup> August 1954 in Machakos County. She is holder of higher diploma in Counselling Psychology and a degree in Theology She has attended various courses on the same over the years and is currently pursuing a degree in Counselling Psychology &amp; Leadership.</p> <p>Ms Mutunga is a retired Civil Servant in the Ministry of Foreign Affairs and Kenyan Diplomat in United Kingdom, Italy and some African Countries. She has worked in various government and non-governmental organizations. She worked as Italy representative for (<i>Umoja As One</i>) an NGO that promotes, advocates and supports peace, unity and togetherness. Sheila was seconded to IGAD in 2002 where she was assigned special duties to the special envoy for Somali peace process.</p> <p>She was a parliamentary candidate in 2007 and 2013 and is keen on pursuing politics in future. She has been active in community work, promoting women and youth welfare groups while working with community-based organizations.</p>
 <p><b>Benedict O. Kijuu</b></p>	<p>Mr Benedict O. Kijuu was born on 13<sup>th</sup> Feb 1962 and he holds bachelors of commerce degree in banking. He has participated in various training such as corporate governance course for directors, public sector governance risk and compliance course, board evaluation seminar among others. He is a member of Institute of Directors</p> <p>Mr. Kijuu has expansive experience in both private and public sector. At Kenya planter's cooperative union, he served as the personnel manager from 1988 to 1997, he serves as a committee member of the Nairobi International Trade Fair. He also served as a member of Athi water services board from 2015 to 2018.</p>
 <p><b>Mr. Francis Anyona</b></p>	<p>Alternate Director representing the Principal Secretary of the National Treasury. Holds a Masters and Bachelor's Degree in Economics from the University of Nairobi. Has over 25 years' experience in Planning and Budgeting/Public Finance Management in the Public Sector. Previously served as an Alternate Director in the National Government Constituency Development Fund, Kenya National Bureau of Statistics, and Coffee Research Foundation. Currently is the Director of Budget at the National Treasury and A Commissioner representing the Cabinet Secretary at the Salaries and Remuneration Commission</p>

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

 <p><b>Mr. Joseph Kiplang'at Keter</b></p>	<p>Alternate Director representing the Principal Secretary of the Ministry of water and sanitation. Holds Master of Business Administration (Project Management) from Kenyatta University and Bachelor of Arts in International Relations from United States International University of Africa.</p> <p>Currently serving as the Secretary Administration in the Ministry of Water and Sanitation from 5th October 2017. Mr Keter has also served as an Alternate Director to Principal Secretary Ministry of Water and Sanitation at Tanathi Water Services Board, Ministry of Interior rising from the rank of District Officer to the rank of County Commissioner.</p>
 <p><b>Eng. Michael M. Thuita</b></p>	<p>Eng Michael Thuita is the Chief Executive Officer. He holds a Bachelor's Degree in Agriculture Engineering and is registered with the Engineers Registration Board and Institution of Engineers of Kenya. Eng. Thuita has more than 20 years practical Engineering and management experience in Water, Irrigation and Natural Resources. He was appointed on 6<sup>th</sup> June 2017</p>
 <p><b>CS. Joyce N. Mukururi</b></p>	<p>CS Joyce N. Mukururi</p> <p>She is an Advocate of the High Court and was admitted to the bar in October 2006. She Holds a Bachelor of Laws Degree, a Diploma in Law from the Kenya School of Law and is a Member of the Law Society of Kenya.</p> <p>She is a Certified Secretary of 10 years standing and a registered member of the Institute of Certified Secretaries.</p> <p>She is also a Certified Professional Mediator.</p> <p>She has a wealth of experience in the Mining, Reinsurance, Banking and Hospitality sectors.</p> <p>She is an appointee of Career Directions Limited a consultancy firm appointed to advise AWWDA on governance matters. Under the consultancy the firm was required to provide a corporation secretary for AWWDA. They in turn appointed CS Joyce N. Mukururi to act as AWWDA Corporation Secretary on 29<sup>th</sup> April 2019.</p>

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**MANAGEMENT TEAM**

 <p>1. Eng. Michael M. Thuita</p>	<p>Eng Michael Thuita is the Chief Executive Officer. He holds a Bachelor's Degree in Agriculture Engineering and is registered with the Engineers Registration Board and Institution of Engineers of Kenya. Eng. Thuita has more than 20 years practical Engineering and management experience in Water, Irrigation and Natural Resources. He was appointed on 6<sup>th</sup> June 2017</p>
 <p>2. Eng. Joseph Kamau</p>	<p>Eng. Joseph Kamau is the Chief Manager-Water, Sewer and Sanitation He holds a Bachelor's Degree in Civil Engineering and is registered with the Engineers Registration Board and Institution of Engineers of Kenya. Eng. Kamau has more than 20 year's practical Engineering and management experience in Water.</p>
 <p>3. CPA Michael Kimocho</p>	<p>CPA Michael Kihungi Kimotho is the Chief Manager Finance and Strategy He holds BA (Economics) and Masters In Business Administration from the University of Nairobi. He is a Registered member of the Institute of Certified Public Accountants and also a certified Information Systems Auditor He has over 15 years' experience in Finance in both Public and private organizations.</p>
 <p>4. Mr. Joseph Mungai Kariuki</p>	<p>Mr. Joseph Mungai Kariuki is the Acting Chief Manager Corporate Services He holds a Bachelor of Arts and has Over 13 years' experience in the public sector with a particular bias in administration. Mr. Joseph Mungai Kariuki joined Athi Water Works Development Agency on 6<sup>th</sup> January 2020.</p>

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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CS. Joyce N. Mukururi

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**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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**CHAIRMAN'S STATEMENT**

The Financial year ending June 2020 has been another great eventful period where Athi Water Works Development Agency and its employees continued to add value to the water sector. Through changing economic circumstances, uncertain political environments and the evolving needs of our customers and the communities we serve, we continue to demonstrate consistent and reliable performance for the benefit of all our stakeholders. As always AWWDA continued with its tradition of excellence by focusing on our business fundamentals, customer satisfaction and transformation of Water and Sanitation Services within Nairobi, Kiambu, Murang'a counties and beyond.

Despite the challenges faced during the period, I take pride at what we have been able to achieve over the past one year. Beyond the financial results, remarkable progress has been as a result of immeasurable support which we have received from you the Government of Kenya as well as stakeholders key among them being; the Water Service Providers, Consumers and Development Partners.

**Economic Environment:**

Real GDP is estimated to have expanded by 5.7% in 2019, a slight decrease from the 5.8% growth recorded in 2018. Growth was supported by, among others, expansion in household consumption and agriculture as well as investments in information technology, finance, insurance, transport and storage sectors. Overall inflation in 2019 averaged 5.2% compared to 4.7% in 2018. The increase was majorly due to higher food prices occasioned by the delay in onset of the long rains. Food inflation in 2019 averaged 2.5% compared to 0.60% during the previous year. International trade and geo-political tensions remain a key risk to performance of the domestic economy. The Kenyan shilling remained resilient in 2019. The country's economic transformation is expected to be bolstered by the prevailing stability in the political and macroeconomic conditions and the implementation of the Big Four projects.

The advent of the COVID-19 has presented a challenge which was unforeseen creating high uncertainty and unpredictability. The effects are not limited to public health; they affect all spheres of Kenyan society and globally, the economy is experiencing a colossal negative impact. AWWDA was not spared by the effects of the pandemic. Our central role in availing reliable water and Sanitation services required AWWDA to work round the clock and provide solutions in the national response in order to cushion Kenyans from the negative impact of the pandemic by limiting its spread within Nairobi metropolis.

**Performance:**

Access to water in AWWDA's area of jurisdiction stands at 72.1% while those with access to sewerage sanitation services is at 48%. Currently, the Agency has a bulk water production capacity of 664,337m<sup>3</sup>/day and a wastewater treatment capacity of 210,500 m<sup>3</sup>/day. The present water demand for Nairobi city is 810,000m<sup>3</sup>/day against an installed production capacity of 550,000m<sup>3</sup>/day for the city.

During the year AWWDA continued to invest in line with its strategy along the Key result areas of Increasing Water Coverage, Increasing sewerage and sanitation strategy and Institutional sustainability.

During the year AWWDA closed the Water and Sanitation Service Improvement program – Additional Finance which was financed by the World Bank which was financed the Northern Collector Tunnel which will bring an additional 140 Million liters per day to Nairobi city. The Agency continued with its investment in Water sources which include the fourth Nairobi Water Supply projects, Karemenu 2 dam and the Ruiru 2 dam projects which will increase the water available for distribution by 250 Million liters per day when this project are completed.

AWWDA completed the development of an Integrated Sanitation Management Plan whose overall objective was to identify a sound and rational strategy for the development of sanitation services in Nairobi and Selected Satellite Towns up to 2040. This included repair/augmentation of existing facilities, proposing sewerage systems where they are needed for urban densification and to make sure other kinds of sanitation services exist in the remaining urban

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

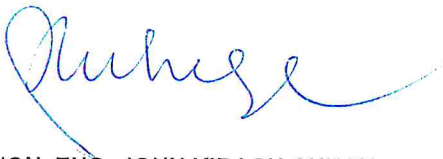
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areas. These actions will have a “flow-down” effect by subsequently improving the water quality in rivers and groundwater as well as reducing greenhouse gas production. During the year AWWDA continued to Implement the Kenya Towns Sustainable Water Supply and Sanitation Program and Nairobi Rivers Rehabilitation program which will increase sewer coverage from the current 48% to 55%.

As an institution dealing with Infrastructure, we continue to face challenges relating to resources which are limited. The Board firmly believes in the people that work for Athi Water and is committed to creating a conducive environment and also investing in the individuals to keep them abreast with emerging trends. It is the Board's vision to advance AWWDA into the most preferred place to work. Over and above providing stimulating work assignments and competitive remuneration, the Board is keen on ensuring the physical and mental wellness is monitored and managed.

**Future outlook:**

Stronger together as an Agency, we feel privileged to be able to support the in responding to the current global crisis through provision of Water and Sanitation services in the neediest areas. I would like to recognize the efforts of all our employees and partners who have remained so committed to delivering an outstanding service to our customers and stakeholders over the past year. Moving forward, we remain steadfast in delivering on our strategy as we deliver on our purpose of accelerating access to water and sanitation.



HON. ENG. JOHN KIRAGU CHEGE  
CHAIRMAN

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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**REPORT OF THE CHIEF EXECUTIVE OFFICER**

On behalf of the Great Athi Family I am pleased to provide you with another year of strong financial and operational performance. We continued challenging ourselves to raise our performance to an even higher level. We are driven by a purpose to be the best for our customers, employees and stakeholders.

During the year, Athi Water Works development made significant strides accelerate access to water and sanitation services in its area of jurisdiction. We continued to accelerate mobilization of resources from the Government of Kenya and the development partners. Nonetheless, the year came with its fair share of challenges, some of which have permeated into 2020.

**Our people**

Based on the premise that an institution is as good as its employees, We are committed to making sure our people have a safe place to work, are trained and developed to reach their potential, and feel respected and valued. We also continue to build an environment where every employee feels included and knows how he or she contributes toward the company's strategies and goals. We continue to improve inclusion and diversity in our overall employee population, ensuring that our workforce is reflective of the customers and communities we serve. We are also implementing a strategic workforce plan to address the changing requirements of our business, driven by our customers' expectations as well as new technologies. Our people are also an integral part of the communities we serve.

**Our Stakeholders**

Our Stakeholders are at the centre of everything we plan and do. We strive to be the best, and if our customers have a choice as to who serves them, we want them to choose us. During the year, we expanded our customer experience initiative, making it easier for customers to do business with us. We enhanced our quality of service through innovative technology, and we continued to make needed infrastructure investments, while also implementing operational efficiency improvements to make the services accessible. At the end of the day, we know that what we do is in the best interests of our customers and communities, as well as our development partners. Customer input, along with empathy for our customers' ideas and experiences, will drive how we change and improve our processes and systems.

**Resource Mobilization:**

Our customers and all our stakeholders trust in our business fundamentals and operations. We don't take that trust for granted. We will continue to work to be the leaders in bringing together all players in the water sector to ensure that we have safe, reliable and affordable water. We have a long and rich history of serving customers and providing solutions for the communities that we serve, and we are in this business for the long term and will work towards ensuring we remain sustainable.

During the financial year we mobilized funds for the Nairobi Water and Sanitation Project funded by the Agence Francaise De Development (AFD) and Nairobi Rivers Basin Rehabilitation and Restoration Program: Sewerage Improvement Project funded by the African Development Bank. These projects will improve living conditions for the inhabitants of Nairobi by expanding access to drinking water and sanitation. The main highlights of the projects include: reinforcement and extension of the water distribution network; extension of the sanitation network; access to water and sewerage in informal settlements; and building the operator's capacity and fighting against non-revenue water.

**Performance:**

During the year under review AWWDA managed to lay 103.9 Kilometers of water pipelines and 49.7 Kilometers of sewer pipelines. AWWDA was also recognized at the Nairobi International Trade Fair for year 2019 where we

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

emerged top position in the following classes; Best stand in water and waste water services; the best non-agricultural based board stand and the Chairman's Commendation Award for demonstrating transformational outcomes. AWWDA participated in the Kenya Sanitation Conference 2019 which was attended by over 1,000 participants. During the Year AWWDA pioneered formation of the tunneling association of Kenya (TAK) and undertook training on Introduction to Tunneling - From Design to Construction which was attended by Engineers from both the Public and Private sector.

We continued to implement the 4<sup>th</sup> Nairobi Water supply project which will bring an additional 140,000 cubic meters (m<sup>3</sup>) to the Nairobi Metropolitan water grid. Drilling of the tunnel was completed and also Completed 2.8km of the secondary lining. The project will be completed on the Financial year 2020/21.

The Agency continued to receive financial support from the Government of Kenya and the development partners. During the year the net worth of AWWDA increased from Kshs 54.9 Billion to Kshs 68.17 Billion which indicates the continued confidence that our financiers have with our institution.

Finally, it is our firm belief we will remain actively committed to the betterment of society by making a positive impact on communities and those that we serve. On behalf of the Great Athi Family, I want to thank you for your continued support. We are proud of all that we were able to achieve in 2019/20 financial year and are even more excited about our bright future. We hope that you'll continue to support us through our journey as we strive to soar to greater heights.

We remain optimistic about the future despite the challenges ahead and we are prepared to take advantage of the opportunities to ensure that accelerated access to water and Sanitation is achieved. In the 2020/2021 financial year, we are committed to accelerating the delivery of our strategy while taking steps to become a stronger and sustainable institution. I am grateful to the Board of Directors, Great Athi Family, Ministry of Water Sanitation and Irrigation, The National Treasury, Development partners, County Governments, Water Service providers and all stakeholders for the support that we continue to receive from them in delivering our on our mandate.



ENG. MICHAEL M. THUITA  
CHIEF EXECUTIVE OFFICER



**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

**REVIEW OF ATHI WATER WORKS DEVELOPMENT AGENCY PERFORMANCE FOR FY 2019/2020**

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 entity's performance against predetermined objectives.

Athi Water Works Development Agency has seven (7) strategic pillars/Key Result Areas and objectives within its Strategic Plan for the FY 2018-2022. These strategic pillars are as follow:

- Pillar 1: Water Coverage
- Pillar 2: Sewerage and Sanitation Coverage
- Pillar 3: Investment resources for water and sanitation infrastructure development
- Pillar 4: Operationalization of Bulk Water Services Provision
- Pillar 5: Research and Development
- Pillar 6: Leadership and Governance
- Pillar 7: Institutional Sustainability

Athi Water Works Development Agency develops its annual work plans based on the above seven (7) pillars. Assessment of the Agency's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2019/2020 period for its seven (7) strategic pillars, as indicated in the diagram below:

Strategic Programme/ Project Name	Objective	County	Expected Output	Time Frame	Current Status
<b>KRA 1: WATER COVERAGE:</b>					
<b>STRATEGIC OBJECTIVE: INCREASE ACCESS TO WATER IN AWWDA'S FROM 72.1% TO 80% BY 2022</b>					
Water & Sanitation Services Improvement	Additional water produced to serve 2 million people	Nairobi, Kiambu and Murang'a	Additional 140,000 m <sup>3</sup> /day for Nairobi	2013-2019	The program is coming to an end. Client ICR has been completed
Northern Collector-AFD	Additional water supplied 2 million people	Nairobi	Additional 140,000m <sup>3</sup> /day to Kabete Nairobi	2016-2021	Ongoing
Nairobi Water Distribution Network	Extension of water supply to 336,000 people in Nairobi	Nairobi	45,000 additional connections in Nairobi	2017-2019	Ongoing
Nairobi Satellite Towns Water and Sanitation	water and sewerage supply in Ruiru, Kiserian and Ongata Rongai to serve 338,000	Kiambu and Kajado	Additional 338,000 people in Ruiru, Kiserian and Ongata Rongai served	2017-2019	Ongoing
Ithanga Water Supply	Enhance water supply within Ithanga area of Muranga county to serve 50,000 people	Murang'a	Additional 10,000m <sup>3</sup> /day of water produced	2016-2019	Ongoing
Oloitoktok	To increase access to	Kajiado	Increase water capacity by	2016-	Ongoing

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

Strategic Programme/ Project Name	Objective	County	Expected Output	Time Frame	Current Status
Water and Sewerage Project	water and sanitation to serve additional 40,000 people		2000m <sup>3</sup> /day and sewerage Capacity of 6000m <sup>3</sup> /day	2019	
Kajiado Rural Water Supply	Enhance water supply to serve 50,000 people and livestock	Kajiado	Additional 8,000m <sup>3</sup> /day produced	2016-2019	Ongoing
Kenya Towns Sustainable Water and Sanitation Project	Improve water and sewerage in Gatundu, Kikuyu, Limuru, Kiambu, Machakos, Changamwe, Pemba and Mwala to serve 800,000 people	Kiambu, Machakos, Makueni, Mombasa	Additional 25000m <sup>3</sup> /day of water produced and 26000 Sewer treated	2018-2022	Ongoing. The program has faced several challenges with VAT exemptions. This is likely to affect completion timeline
Karimenu II Dam WS Project	Additional Water produced for Ruiru, Juja and Thika areas to serve 600,000 people	Kiambu/Nairobi	Additional 47,000m <sup>3</sup> /day produced 23,000m <sup>3</sup> /day for Nairobi	2017-2021	Ongoing
Ruiru II Dam WS project	Additional Water produced for Karuri, Kiambu and Githunguri to serve 700,000 people	Kiambu/Nairobi	Additional 51,000m <sup>3</sup> /day produced	2018-2022	Opening of the necessary accounts have been finalized and advance payment to the contractor being processed
Nairobi Water and Sanitation Project	Rehabilitation of existing networks, reinforcement of the distribution system, 19 km-long one (600 mm diameter) pipeline crossing the city North to South from Kabete treatment plant, - distribution network extensions with 350 km of pipelines, as well as household connections and water meters	Nairobi	Rehabilitation of existing networks, reinforcement of the distribution system, 19 km-long one (600 mm diameter) pipeline crossing the city North to South from Kabete treatment plant, - distribution network extensions with 350 km of pipelines, as well as household connections and water meters	2020-2022	Procurement process ongoing
Theta Dam and Treatment	Additional Water produced to serve 50,000 people	Kiambu	Additional 4,000m <sup>3</sup> /day in Gatundu area	2017-2018	Completed

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

Strategic Programme/ Project Name	Objective	County	Expected Output	Time Frame	Current Status
Works Project					
Thika and Githunguri Water and Sanitation Project	Improve water and sanitation in Githunguri and Thika to serve 500,000 people	Kiambu	Increase water capacity by 1000m <sup>3</sup> /day and 20km pipeline, Increase sewer Capacity by 8000m <sup>3</sup> /day in Githunguri. Restore water capacity by 32000m <sup>3</sup> /day and 20km pipeline, Increase sewer Capacity by 30,000m <sup>3</sup> /day, Lay 70km of sewer in Thika.	2018-2022	Preliminary phases are ongoing
Kiambaa Water Supply project	Additional water produced for Kiambaa area of Kiambu County to serve 300,000 people.	Kiambu	Additional produced 7430m <sup>3</sup> /day	2018-2022	
Development of Maragua 4 Dam	Additional Water produced for Nairobi Metro Area to serve 1.2 million people	Murang'a/Nairobi	Additional produced 216,000m <sup>3</sup> /day	2019-2025	Not started
Development of Gatei 1 Dam	Additional Water produced for Nairobi Metro Area to serve 1.2 million people	Nairobi & Athi river areas	Additional produced 132,000m <sup>3</sup> /day	2019-2025	Not started
Development of Kinale Dam	Additional Water produced for Nairobi Metro Area to serve Limuru, Lari and Kikuyu	Kiambu County	Additional produced 30,000m <sup>3</sup> /day	2021-2025	Not started
Development of Kamiti 1 Dam	Additional Water produced for Nairobi Metro Area to serve 1.2 million people	Nairobi, Kiambu & Athi river areas	Additional produced 16,416m <sup>3</sup> /day	2021-2025	Not started
Development of Gatamathi and Kahuti water supply project	Additional Water produced for Muranga Area to serve 300,000 people (Mathioya, Kangema, Kiharu)	Muranga	Additional produced 30,000m <sup>3</sup> /day	2021-2025	Not started
Thika 3A Dam	Additional Water produced for Nairobi Metro Area to serve 1.2 million people	Nairobi, Kiambu & Athi river areas	Additional produced 40,000m <sup>3</sup> /day	2021-2025	Not started

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

Strategic Programme/ Project Name	Objective	County	Expected Output	Time Frame	Current Status
Northern Collector-Phase 2	Additional Water produced for Nairobi Metro Area to serve 1.2 million people	Nairobi & Athi river areas	Additional 285,120m <sup>3</sup> /day produced	2021-2025	Not started

Strategic Programme/ Project Name	Objective	County	Expected Output	Time Frame	Current Status
<b>KRA 2: SEWERAGE AND SANITATION COVERAGE</b>					
<b>INCREASE SANITATION COVERAGE IN THE AGENCY'S AREA OF JURISDICTION FROM 47% TO 70% BY 2022</b>					
Kiserian Sewerage Project	Improve sanitation services for Kiserian Town to serve 90,000 people	Kajiado	Additional 6000m <sup>3</sup> /day of sewer Treated and 16 Km sewer pipeline laid.	2015-2020	The project has stalled due to a court case and capacity shortcomings with regard to the contractor
Oloitoktok Water and Sewerage Project	To increase access to water and sanitation to serve additional 40,000 people	Kajiado	Increase water capacity by 2000m <sup>3</sup> /day and sewerage Capacity of 6000m <sup>3</sup> /day	2016-2019	Ongoing, though the contractor has been slow due to cash flow issues
Kenya Towns Sustainable Water and Sanitation Project	Improve water and sewerage in Gatundu, Kikuyu, Limuru, Kiambu, Machakos, Changamwe, Pemba and Mwala to serve 800,000 people	Kiambu, Machakos, Makueni, Mombasa	Additional 25000m <sup>3</sup> /day of water produced and 26000 Sewer treated	2018-2022	Ongoing. Affected by tax exemptions
Thika an Githunguri Water and Sanitation Project	Improve water and sanitation in Githunguri and Thika to serve 500,000 people	Kiambu	Increase water capacity by 1000m <sup>3</sup> /day and 20km pipeline, Increase sewer Capacity by 8000m <sup>3</sup> /day in Githunguri. Restore water capacity by 32000m <sup>3</sup> /day and 20km pipeline, Increase sewer Capacity by 30,000m <sup>3</sup> /day, Lay 70km of sewer in Thika.	2018-2022	Ongoing: Feasibility study completed and Financing agreement for the Works awaiting signature from Danida Business Finance.

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

Strategic Programme/ Project Name	Objective	County	Expected Output	Time Frame	Current Status
Nairobi Rivers Basin Restoration Programme Phase 2: Sewerage improvement	Increase access to sewerage services for the Nairobi to serve 1.2 million people	Nairobi	240km sewerage network and sewerage capacity of 160,000m <sup>3</sup> /day	2019-2022	Ongoing: Works and consultancies are under procurement
Nairobi Water and Sanitation Project	laying more than 60 km of secondary networks in the Riruta Satellite neighbourhood, West of the city; laying more than 60 km of secondary networks in the Zimmerman, Karasani and Roysambu neighbourhoods, North-West of the city; laying more than 100 km of secondary networks in other parts of the city where trunk sewers are already installed.	Nairobi	laying more than 60 km of secondary networks in the Riruta Satellite neighbourhood, West of the city; laying more than 60 km of secondary networks in the Zimmerman, Karasani and Roysambu neighbourhoods, North-West of the city; laying more than 100 km of secondary networks in other parts of the city where trunk sewers are already installed.	2020-2023	Procurement processes initiated
East Nairobi Sewerage	Increase access to sewerage services for Nairobi to serve 2 million people.	Nairobi	684km sewerage network and two sewerage Treatment plants of a combined capacity 90,000m <sup>3</sup> /day	2019-2022	Not started
Pilot of Omni processor technology for sanitation in selected urban centres	Enhance waste water treatment in selected urban centres	Nairobi	1 No. Omni processor	2019-2022	Not started

Strategy	Objective	Key performance indicators	Timeframe	Current Status
<b>KRA 3: INVESTMENTS AND RESOURCE MOBILIZATION: STRATEGIC OBJECTIVES: MOBILIZE KSHS. 234.775 BILLION FOR WATER AND SANITATION DEVELOPMENT BY 2022</b>				
Prepare long	Prepare water, sewerage, energy	No. of investment and	2018-2022	ongoing

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

Strategy	Objective	Key performance indicators	Timeframe	Current Status
term investment and financing plans for water and sewerage.	investment and financing plans	Financial Plans Developed		
Identify alternative sources of financing	Package the investment plan into various financing mixes including development banks, PPPs, EPC-F, Capital Markets and Project Finance	No. of alternative investments identified	2018-2022	ongoing
<b>PILLAR 4: OPERATIONALIZATION OF BULK WATER SERVICES PROVISION</b> <b>STRATEGIC OBJECTIVE: ESTABLISH OPERATIONAL OFFICES FOR NORTHERN COLLECTOR SYSTEM, RUIRU II DAM AND KARIMENU II DAM BY 2022</b>				
Develop a framework for operation of waterworks and provision of water services.	Establish and equip a unit of operation and maintenance  Identify new projects and put in place infrastructure necessary for their operation	% progress in the setting up of a unit for operation and Maintenance.  No. of new projects identified	2018-2022	Key infrastructure has been identified and Gazetted as National Infrastructure for water  The Karimenu II satellite offices have been opened and operation.
<b>PILLAR 5: RESEARCH AND DEVELOPMENT</b> <b>STRATEGIC OBJECTIVE: TO PROMOTES RESEARCH, DEVELOPMENT AND ADOPTION OF APPROPRIATE TECHNOLOGY</b>				
	Facilitate investment in research and development that is able to increase corporate research output.	No. of research papers produced	2018-2022	ongoing
		No. of collaborative research work undertaken	2018-2022	ongoing
<b>KRA 6: LEADERSHIP AND GOVERNANCE:</b> <b>STRATEGIC OBJECTIVE: INCREASE STAKEHOLDERS SATISFACTION BY 5% ANNUALLY THROUGH 2022</b>				
Ensure adherence to internal processes and procedures	Review and update AWWDA risk management framework to incorporate emerging issues	No. of risk management framework put in place	2018-2022	Risk framework updated
Maintain statutory and regulatory compliance	Prepare and submit quarterly reports	No. of reports timely developed and feedback provided	2018-2022	Ongoing
Enhance institutional integrity and anti-corruption measures	Review and update the code of ethics for staff and Board of Directors  Undertake corruption risk management through the	Measures undertaken to implement chapter 6 of the constitution  No. of reviews and updates to the code of ethics	2018-2022	Ongoing

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

Strategy	Objective	Key performance indicators	Timeframe	Current Status
	Corruption Prevention and Oversight Committee	No. of quarterly reports submitted on anti-corruption measures		
<b>KRA 7: INSTITUTIONAL SUSTAINABILITY</b>				
<b>STRATEGIC OBJECTIVE: ENHANCED INSTITUTIONAL PERFORMANCE</b>				
Implement strategic asset management	Engage relevant bodies and acquire necessary documents for land and wayleaves  Initiate the development of asset management policy	No. of strategic asset management Framework Developed and implemented	2017-2022	Asset management policy developed and approved by the Board  Asset valuation currently under way
Achieve and sustain a high-performance culture at Athi Water	Plan for and undertake a baseline  Procure a consultant to review and update the schemes of service Develop a succession plan	No. of quality control and performance measure put in place	2018-2022	Baseline survey NOT yet undertaken  All Activities not yet done
To set aside Kshs 2 million per annum for environmental protection and climate change mitigation measures.	Implementation of climate change Mitigation measures	No of measures implemented	2018-2022	Ongoing
To Reduce Non-Revenue Water to 30% by 2022	Undertake investment to reduce the Non-revenue water in AWWDA area.	Quantity of water made available.	2018-2022	Not yet done  Customers Identification Survey undertaken
Knowledge management and innovation	Develop a knowledge management policy	No. of new innovations and knowledge management framework developed.	2018-2022	Knowledge management Policy not yet develop
Undertake Monitoring and Evaluation of Athi Water operations and projects	Establish a M&E unit/Committee  M&E needs assessment and initiate training of staff on M&E	No. of M&E activities undertaken	2018-2022	M&E ongoing  Needs assessment and training for M&E staff not done.
Promote the use and adoption of effective Information management systems	Review, update and implement IMS	No. of information management systems procured or adopted	2018-2022	Not yet done
Establish an Athi Water HQ	Finalize procurement processes and commence construction	Building constructed and put to use	2018-2022	Construction of office block ongoing. To be

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

Strategy	Objective	Key performance indicators	Timeframe	Current Status
				finalized by August 2020
Increase awareness about Athi Water and its mandate	Create awareness on the mandate, activities and projects undertaken by AWWDA  Implement the corporate social responsibility	No. of awareness campaigns done No. of engagement meeting with stakeholders No. of baselines undertaken to determine positive media coverage	2018-2022	Ongoing
Stakeholder mapping	Identify and update stakeholders' list  Analyze and prioritize the interest of stakeholders in each project	No. of new stakeholders identified and documented No. of reports produced on the analysis and prioritization of stakeholders	2018-2022	Ongoing
Promote stakeholder engagement	Engage key stakeholders in policy formulation, analysis, implementation and advocacy  Promote collaborations with other WWDA and other Inter Agencies	No. of engagement meetings No. of collaborative meetings with WSBs and other agencies	2018-2022	Ongoing
Enhance visibility in Athi Water activities	Brand all AWWDA installations and ongoing projects to enhance visibility of flagship projects  Undertake below and above publicity of Athi Water activities i.e. print and electronic media, outdoor advertising  Publish annual corporation achievement reports	No. of facilities branded  No. of quarterly newsletters produced  Annual corporate achievement report	2018-2022	ongoing
Enhance complaints and compliments management	Strengthen the customer complaints handling mechanism  Review, update and implement the customer service charter	Measures undertaken to strengthen customer complaints handling mechanism	2018-2022	Customer charter Reviewed
Enhance grievance management processes	Develop grievance handling mechanisms at project level	A grievance handling mechanism put in place	2018-2022	Ongoing
Environmental protection	Promote integrated water resources management through collaboration with other institutions in protection and restoration of	No. of EIA/ESIA undertaken  No. Compliance and	2018-2022	ongoing



**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

Strategy	Objective	Key performance indicators	Timeframe	Current Status
	water-related ecosystems and catchments areas.  Ensure protection of right to property of project affected persons by providing prompt payment and just compensation.	safeguard measures put in place  No. new green technology adopted		
Maintain health and safety	Review health and safety policy  Implements the recommendation in the annual safety audits and work environment surveys	No. of reports on safety audit Annual Reports on implementation of Public Sector Workplace policy	2018-2022	Ongoing
Foster national cohesion and integration	Ensure the integration of gender, ethnic balance, people with disability and marginalized groups in appointive positions	Reports on activities undertaken to promote cohesion and national values	2018-2022	Ongoing

The annual performance targets of AWWDA are tied to the 2018-2022 strategic plan which is broken down into annual operation plans. As guided by the Performance Contract Guidelines (16<sup>th</sup> cycle), the Agency's annual strategic intents are closely linked to the pillars/Key result areas. The 2019/20 performance contract self-assessment report is indicated below;

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

**PERFORMANCE CONTRACT MATRIX FOR THE FY 2019/20**

	PERFORMANCE CRITERIA CATEGORY	UNIT OF MEASURE	Status Previous Year (FY 2018/19)	Target (FY 2019/20)	Actual (FY 2019/20)
<b>A</b>	<b>FINANCIAL STEWARDSHIP AND DISCIPLINE</b>				
A1	Absorption of Allocated Funds (GoK)	%	84.2	100	65
A2	Absorption of Externally Mobilized Resources (Donor Funds)	%	100	100	97
A3	A-in-A	Kshs, (Million)	45.5	32.3	116.85
A4	Pending Bills	%	1.75	<1	0.975
<b>B</b>	<b>SERVICE DELIVERY</b>				
B1	Implementation of Citizens' Service Delivery Charter	%	100	100	100
B2	Application of Service Delivery Innovations	%	100	100	0
B3	Resolution of Public Complaints	%	99	100	100
<b>C</b>	<b>CORE MANDATE: AWWDA's priority projects/ programmes ("Big Four" Initiatives, Vision 2030 Flagship Projects, Projects/programmes aligned to SDGs and SPS)</b>				
	<b>"Big Four" Initiatives and Vision 2030 Flagship Projects</b>				
C1	Northern Collector Water Tunnel Project Implemented	Km	10.2	11.2	11.8
C2	Ndakaini-Kigoro-Gigiri Raw and Treated Water Pipelines Constructed	Km	6	3	4.25
C3	Kigoro Water Treatment Plant Completed	%	99	100	100
C4	Ruiru II Dam Water Project Constructed	%	5	10	10
C5	Karimenu II Dam Water Project Constructed	%	10	25	10
C6	East Nairobi City Water Distribution Network (Kiambu-Embakasi Pipeline) Project Implemented	Km	18.27	24	24
C7	West Nairobi City Water Distribution Network (Kabete-Karen Pipeline) Project Implemented	Km	6.55	11	11
C8	Kikuyu Water Supply and Sanitation Project Implemented	%	11	40	24
C9	Kiambu and Ruaka Water Supply and Sanitation Project Implemented	%	7	40	25
C10	Gatundu Urban Water Supply and Sanitation Project Implemented	%	7	40	7
C11	Machakos Water and Sanitation Supply project.	%	5	25	5
C12	Mwala Water and Sanitation Project Implemented	%	6	25	6
C13	Limuru Water and Sanitation Project Implemented	%	13	40	26
C14	Pemba Water Project implemented	%	3	25	12
C15	Changamwe Re-pooling Sewerage Project Implemented				10

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

<b>Other Priority Projects/Programmes</b>		%	10	80	
C16	Nairobi Peri-Urban and Informal Settlements Water and Sanitation Project Implemented	%	86.5	100	100
C17	Nairobi Satellite Towns Water Supply Improvement Project- Ruiru Water Supply Project Implemented	%	0	20	5
C18	Gatango Water Supply Completed	%	73.9	100	100
C19	Ichichi, Kiruri and Makomboki Water Projects Completed	%	67	100	93
C20	Ithanga Water Supply Project Constructed	%	77	100	99
C21	Integrated Water Master plan for Murang'a County Developed	No	0	1	1
C22	Kajiado Rural Water Supply Project Completed	%	85	100	95
C23	Oloitoktok Water Supply Project Completed	%	50	100	65
C24	Olooloitikosh Urban Water Project Study Undertaken	%	45	100	100
C25	Water Appeals board offices (WAB offices)	%	45	100	100
C26	Kitui -Matuu Last Mile Connectivity of Water and Sanitation Works Implemented	%	0	15	5
C27	Nairobi Satellite Towns Water Supply Improvement Project- Ongata Rongai/ Kiserian Water Supply Project Implemented	%	0	30	0
C28	Sanitation Blocks in Nairobi Informal Settlements Constructed	No.	0	5	0
C29	Nairobi Regeneration Sewer Rehabilitation Project Implemented	%	0	20	20
C30	Thika and Githunguri water and sanitation project.	%	0	2	2
C31	Improved Stakeholders Satisfaction index	%	83.5	85	85
C32	Project Completion Rate	%	100	100	100
<b>D</b>	<b>Implementation of Presidential Directives</b>	%	NA	NA	NA
<b>E</b>	<b>Access to Government Procurement Opportunities (AGPO).</b>	Kshs. (Million)	83.31	46.54	81.52
<b>F</b>	<b>Promotion of Local Content in Procurement</b>	Kshs. (Million)	1,316	922	2,105.9
<b>G</b>	<b>CROSS-CUTTING<sup>1</sup></b>				
G1	Asset Management	%	100	100	100
G2	Youth Internships/industrial Attachments/Apprenticeships	No	20	35	35
G3	Competence Development	%	100	100	100
G4	Disability Mainstreaming	%	100	100	80

<sup>1</sup> The reported achievement for 2018/19FY for B3, G4, G5, G7 and G8 are based on annual compliance levels from respective specialized Agencies

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

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G5	Prevention of HIV Infections	%	100	100	100
G6	Safety and Security Measures	%	80	100	60
G7	National Cohesion and Values	%	88	100	100
G8	Corruption Prevention	%	100	100	100

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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**CORPORATE GOVERNANCE STATEMENT**

**Introduction**

The Athi Water Works Development Agency Board is committed to maximizing the long-term value of services to all stakeholders. The Board seeks to ensure that Athi Water Works Development Agency (AWWDA) is properly managed to protect and enhance stakeholder interests, and that AWWDA, its Board Members, officers and employees operate in an appropriate environment of corporate governance. The Board has developed a governance framework which includes adopting internal controls, risk management processes and corporate governance policies and practices, designed to promote responsible management and ethical conduct. The Board Governance framework is documented and duly approved by the Board.

AWWDA has developed Governance instruments in line with the Constitution of Kenya 2010, Mwongozo -Code of Governance for State Corporations, the Water Act, 2016, the State Corporations Act, Cap.446 and other applicable Laws and best practises to facilitate good corporate governance practises.

**The Board**

The Board comprises of a Chairperson, Board Members and the Chief Executive Officer. The Board is also supported by Board Committees and a Corporation Secretary.

The Board is the apex governance organ and provides overall strategic guidance for AWWDA and effective oversight of management. The Board sets and actualises the overall strategy and policy framework. This is enjoined with the formulation of AWWDA's vision, mission and core values. The Board also bears the responsibility of formulating, approving and ensuring operationalisation of the organisational structures, systems and governance policies.

***Roles and Functions of the Board***

The role and responsibilities of the Board are listed in Chapter 3 of the Board Charter and are summarised as follows:

- To review, evaluate and approve on a regular basis, long term plans for AWWDA
- To review, evaluate and approve AWWDA's budget and financial forecasts
- To review, evaluate and approve major resource allocations and capital investments
- To ensure that the procurement process is cost effective and delivers value for money
- To review and approve the operating and financial results for AWWDA
- To ensure effective, accurate, timely and transparent disclosure of pertinent information on AWWDA's operations and performance
- To ensure that effective processes and systems of risk management and internal controls are in place
- To review evaluate and approve the overall organisational structure, assignment of senior management responsibilities and plans for senior management development and succession
- To review, evaluate and approve the remuneration structure of AWWDA in consultation with relevant government agencies
- To adopt, implement and monitor compliance with AWWDA code of Conduct and Ethics
- To review the attainment of targets and objectives set in the agreed performance measurement framework within the Government of Kenya
- To review periodically AWWDA's strategic objectives and policies relating to sustainability and social responsibility/investment
- To monitor compliance with the Constitution, all applicable laws, regulations and standards
- To review and ensure that AWWDA is effective and effectively delivering on its mandate.

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

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The Board has established committees with specific terms of reference so as to effectively discharge its mandate. The standing committees of the Board which are subject to review from time to time are as follows:

- a) Water and Sewerage Committee
- b) Resources and Governance Committee
- c) Audit and Risk Committee

The Board Members remain individually and collectively responsible for the decisions and actions taken by any committee.

### **Board Charter**

The roles and responsibilities of Board Members as well as functions and structure of the Board are provided in the Board Charter. The Board is structured in a way that supports the members in carrying out their oversight function. It provides the Board Members with an opportunity to think creatively and critically on how their strategic and operational plans align with the organisation's strategic direction and expectations founded on good governance.

The Charter has been adopted by AWWDA in accordance with Mwongozo Code of Governance for State Corporations and is complementary to the requirements regarding the Board and the Board Members contained in applicable Kenyan Laws and regulations.

The Charter guides the Board on the following matters;

- Best practices and principles and Constitutional principles and requirements
- Board composition, terms and structures
- Board responsibilities, principles and procedures
- Board meetings, attendance and decisions
- Other Provisions- Conflict of interest of Board Members, Compensation of Board Members, Induction, ongoing training and Education, confidentiality etc

### **Appointment of Board Members**

The Board Members of AWWDA are appointed pursuant to section 66(1) of the Water Act, 2016. The Act provides that the Board should consist of a Chairperson and four other members appointed by the Cabinet Secretary responsible for matters relating to water and the Chief Executive.

Pursuant to section 6 of the State Corporations Act, Cap 446, the Board also comprises of the Principal Secretary of the parent Ministry (in the case of AWWDA; the Ministry of Water, Sanitation and Irrigation) and the Principal Secretary to the National Treasury.

The appointments are by name and by notice in the Kenya Gazette.

The First Schedule of the Water Act, 2016 is applicable on matters of membership and procedure of Water Works Development Agencies. The schedule provides the following guidelines on appointment:

- **Qualification of members:** In making the appointments, the appointing authority shall have regard to Article 10 of the Constitution of Kenya on national values and principles of governance, Article 232 of the Constitution of Kenya on values and principles of public service, the academic qualifications, professional

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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experience, character and integrity of the potential candidates for appointment, gender, regional and ethnic diversity. (section 2 of the Schedule)

- **Identification for appointment:** The Chairperson and members shall be identified for appointment through an open competitive process (section 2(2) of the First schedule)
- **Term of office:** A member shall hold office for such term not exceeding three years as may be specified by the instrument of appointment. A member shall be eligible for reappointment for one further term.

Further, the Water Act, 2016 provides that the Chairman and the four other members appointed must be from a county within the basin area. The geographical area of jurisdiction of AWWDA is defined in Legal Notice 28 of 26<sup>th</sup> April 2019 as Nairobi, Kiambu and Muranga.

**AWWDA Board Memberships**

In the Financial Year 2019/2020, the board members were as follows:

NAME	Office Held	Date of appointment	Date of Expiry	Basin Area of Representation
Hon. Eng. John Kiragu Chege	Chairperson	7/02/2019	7/02/2022	Kiambu
Hon. Peter Irungu Kihungi	Member	7/02/2019	7/02/2022	Muranga
Benedict Kijuu Omondi	Member	7/02/2019	7/02/2022	Nairobi
Beatrice Njeri Maina	Member	7/02/2019	7/02/2022	Muranga
Sheila Phyllis Mwikali Mutunga	Member	7/02/2019	7/02/2022	Muranga
Godfrey Ninito Lemiso	Member	7/02/2019	7/02/2022	Nairobi
Joseph Keter	Alt. Director to PS Ministry of Water, Sanitation and Irrigation	28/06/18	N/A	N/A
Francis Anyona	Alt Director to PS – The National Treasury	17/04/15	N/A	N/A

All the above listed Independent board members were appointed in February 2019 vide Gazette Notice No. 1239 issued on 8<sup>th</sup> February 2019. Respective letters of Appointment as Board Members of Athi Water Works Development Agency were issued on 7<sup>th</sup> May 2019.

The Board is well composed in terms of range and diversity of skills, knowledge, age and experience in various sectors which makes it effective and provides an appropriate balance for the oversight of AWWDA's mandate. On gender, the Board has two (2) women out of the Eight (8) members.

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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### **Succession Planning**

The Code of Governance for State Corporations (Mwongozo) provides that the appointing authority should ensure that the tenures of Board members are staggered to ensure a phased transition. The AWWDA Board Charter at Clause 2.2.4 also provides for staggered retirement.

### **Removal of Board Members**

Section 6(1) of First schedule of the Water Act, 2016 provides for circumstances under which the office of a member shall become vacant as follows:

- a) Such member dies, resigns or is removed from office
- b) Such member absents himself or herself from four consecutive meetings of the Board or committee which reasonable notice has been given to the member unless-
  - i) The board or committee has granted the member leave to be absent from those meetings or
  - ii) within four weeks after the last of the four meetings, the member is excused by the board or committee for having been absent from the meetings.
- c) The member becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors or makes an assignment of his or her remuneration or for their benefit
- d) Such member is adjudged or declared by any competent court or tribunal to be of unsound mind or
- e) Such member is convicted of an offence punishable by imprisonment for twelve months or more

If the office of a member becomes vacant, the appointing authority is mandated to fill the vacancy as prescribed in the Act. This process is also captured in the Board Charter at section 2.2.

### **Role of the Corporation Secretary**

The board is served by a competent and qualified Corporation Secretary as stipulated by Clause 1.20 of Mwongozo-Code of Governance for State Corporations.

The Principle duties of the Corporation Secretary are as follows:

- a) Providing guidance to the Board and Board Members individually on their duties, responsibilities and powers and how these should be exercised in the best interest of AWWDA
- b) Ensuring that board procedures are followed and reviewed regularly and that the Board complies with the Laws and Regulations
- c) Assisting the Chairperson in organising Board activities including providing information, preparing the agenda, issuing notices and preparing for meetings, board evaluations and board development programs
- d) Providing secretarial services to the Board including ensuring that the Board Work Plan is prepared and adhered to.
- e) Ensuring the minutes of the Board and Board Committees are promptly prepared and circulated
- f) Keeping the Board abreast of and informed on current governance thinking and practice
- g) Coordinating the governance audit process.

### **Board Induction and Trainings**

The Board has developed an induction program for new Board Members. A competence needs assessment was also carried out on the Board Members.



**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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Consequently, during the Financial Year 2019/20, the Board Members undertook several board and committee induction and training programs. The inductions and trainings covered diverse areas including Rapid Results Initiative Programs, Board Business Framework and Committee Framework, Inclusive Policy and Governance for Water and Sanitation, drinking water supply, sanitation, hygiene and water resources with a strong public health emphasis.

**Board Remuneration**

As stipulated by Section 10 of the State Corporations Act, Cap. 446, Board Remuneration is paid out of the funds of the state corporation within the scales of remuneration specified from time to time by the State Corporations Advisory Committee. In the year under reference remuneration for the Board was guided by GOK Circular OP/CAB.9/21/2A/LII/43 dated 23<sup>rd</sup> November, 2004; the Guidelines on Terms and Condition of Service for State Corporations, Chief Executive Officers, Chairmen and Board Members, Management Staff and Unionisable Staff. Accommodation and travel allowances on local travel and International Travel and lunch allowance was governed by Circular No. OP/SCAC.9/21.2 Vol.1 (164) dated 28<sup>th</sup> April 2015.

Where applicable, the daily subsistence allowance was paid in accordance with Circular No. SRC/ ADM/CIR/1/13 Vol. IV (1). Other payments made were: Monthly honoraria for the chairman, telephone allowance for the chairman, transport reimbursements, Accident Insurance Cover, Medical Cover as stipulated in the Government Circulars and Respective Appointment letters.

**Board attendances**

In line with Mwongozo, the AWWDA Board Charter at Clause 4.1 provides that the Board shall meet as often as necessary but not less than four times a year. The meetings of the Board were scheduled in advance.

During the financial year 2019/2020, the Board held 8 Board Meetings. The respective attendances by the Board Members were as follows:

NATURE OF MEETING AND DATE	Hon. Eng. John Kiragu Chege	Hon. Peter Irungu Kihungi	Joseph Keter Alt. Director, PS Ministry of Water & Sanitation and Irrigation	Beatrice Njeri Maina	Sheila Phyllis Mutunga	Godfrey Lemiso	Ben Omondi Kijuu	Francis Anyona Alt. Director, Ps. National Treasury and Planning
12.07.2019 2 <sup>nd</sup> Regular Meeting of the Board	x	x	x	x	x	x	x	x
26.09.2019 1 <sup>st</sup> Special Meeting of the Board	x	x	x	x	x	x	x	x
14.10.2019 3 <sup>rd</sup> Regular Meeting of the Board	x	x	-	x	x	x	x	x

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

18.11. 2019 2 <sup>nd</sup> Special Meeting of the Board	x	x	-	x	x	x	x	x
5.12.2019 3 <sup>rd</sup> Special Meeting of the Board	x	x	x	x	x	-	x	-
13.01.2020 4 <sup>th</sup> Regular Meeting of the Board	x	x	x	x	x	x	x	-
30.01.2020 4 <sup>th</sup> Special Meeting of the Board	x	x	x	x	x	x	x	-
7.02.2020 5 <sup>th</sup> Special Meeting of the Board	x	x	x	x	x	x	x	-
9.04.2020 5 <sup>th</sup> Regular Meeting of the Board	x	x	x	x	x	x	x	x
4.06. 2020 6 <sup>th</sup> Regular Meeting of the Board	x	x	x	x	x	x	x	-

**Key**

x- Present

- Absent

**Board Performance Evaluation**

In accordance with Clause 1.12 Mwongozo, the Board Charter provides at Clause 3.3.6.1 that the Board will conduct annual evaluation to appraise its performance.

The Board Evaluation for the Financial Year FY 2019/2020 was facilitated by the State Corporations Advisory Committee on 2<sup>nd</sup> July 2020.

**Conflict of Interest**

AWWDA has a Conflict of Interest Policy whose purpose is to provide guidance in identifying and handling potential and actual conflicts of interest involving the Board of Board Members and AWWDA as a whole. AWWDA is committed to the highest levels of integrity. All the Board Members have taken an oath of office which was duly administered by a Commissioner for Oaths.

A conflict of Interest Register is maintained by AWWDA. Declaration of conflict of interest is a mandatory agenda item in all AWWDA Board meetings.

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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A conflict of Interest Register is maintained by AWWDA. Declaration of conflict of interest is a mandatory agenda item in all AWWDA Board meetings.

**Ethics and Conduct**

The Board Members and employees of the AWWDA have a fiduciary duty to act honestly and in the best interest of AWWDA. Business transactions with all parties must be carried out at arm's length and with integrity. AWWDA has developed a Code of conduct and Ethics which sets out the minimum requirements expected of the Board Members as they carry out their functions either individually or collectively. Nevertheless, the Code applies to all members of AWWDA and the Board Members. All the Board Members and staff have subscribed to the Code of Conduct and Ethics. The code is reviewed and updated from time to time.

In addition to the Code of Conduct and Ethics, Board Members are governed by the applicable Laws and Regulations. The Board has further developed a whistle-blower policy with the aim of maintaining the highest standards of Ethical and legal conduct in all its activities, programs and transactions. Through the policy, the Board encourages, management, staff and other stakeholders to report suspected/ actual occurrence of unethical, inappropriate or illegal practices without reprisal. The policy assures protection to whistle blowers.

**Governance Audit**

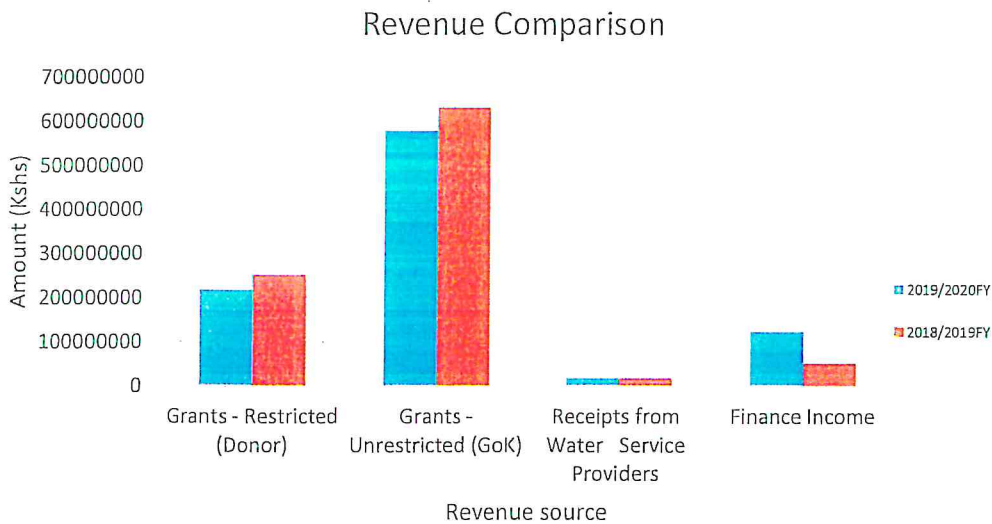
A governance Audit is undertaken by an organisation to ensure that the organisation conforms to the highest degree of good governance. It is a requirement of Mwongozo (clause 1.13) that a Governance audit is conducted annually. In the year 2019/2020 a governance audit was not conducted for lack of adequate Accredited Governance Auditors by the State Corporations Advisory Committee (SCAC).

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Financial Performance**

During the 2019/20FY, AWWDA received an allocation of Kshs 582,829,524 from the ministry of water and Sanitation broken down into Kshs 400 Million for salaries and administration purposes and Kshs 182,829,524 being GoK funded project costs which are recurrent in nature. The entity also earned additional revenue of Kshs 139,574,558 being interest on deposit, miscellaneous income and some remittances from WSPs. Development partner grants earned in the year amounted to Kshs 274,552,415 being allocations from deferred income and direct project costs. The total income for the year was Kshs 996,956,498 against an expenditure of Kshs 808,668,717 before depreciation, interest and provisions. AWWDA transferred a total deficit of Kshs 605,978,830 after incorporating depreciation, loan interest due and provisions. The chart below gives the revenue breakdown as compared to same period last year:



**Expenditure comparison**

The chart below gives a breakdown of the expenditure comparison for the years 2018/19 and 2019/2020:

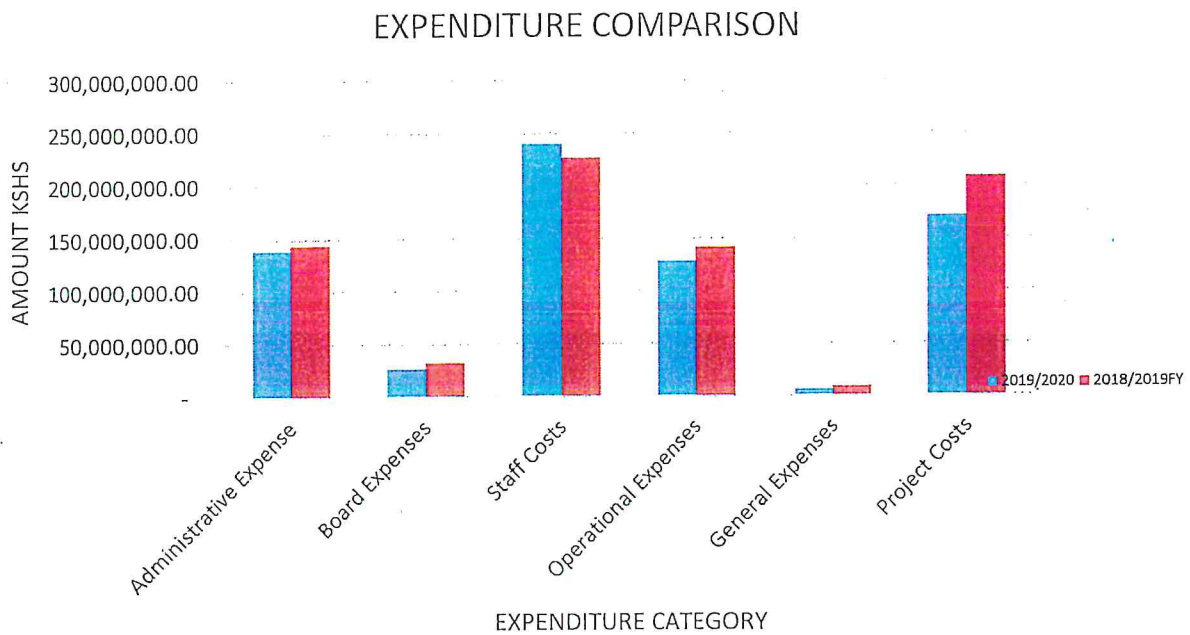
**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**Projects implemented or were ongoing in the year**

Developing innovative and sustainable water services solutions that transform life and inspire progress underpins our corporate mission. In the period under review, and as part of implementation of our strategic plan, AWWDA continued to implement the following projects, during the 2019/2020FY:

No.	Project Name	Project status	Projected Timelines		Estimated Cost of Projects	Expected Output
			Start Date	End Date		
1	Nairobi Water Distribution Network	The works were at 86.50 % by the end of the FY	26th June 2014	30th November 2019	4,543,000,000	Provide 100,000m <sup>3</sup> /day additional water to residents living in Utawala, Embakasi, and Ruai areas. Provide additional 5,000m <sup>3</sup> /d to residents in Karen and improvement of access to water and sanitation in selected informal settlements
2	Nairobi Satellite Towns Water and Sanitation Program	Works were yet to start by the end of the FY but all the works contracts were signed	28th September 2015	30th June 2021	3,388,000,000	Improved access to water supply through construction of transmission and distribution network and distributing 14,000m <sup>3</sup> /d water in Kisertian, ongata rongai, Githurai and Mwiuhoko
3	Extension Of Nairobi Water Supply (Northern Collector)	84 % of the works have been done	17th January 2014	31st December 2019	10,000,000,000	Treatment and transmission of additional 140,000m <sup>3</sup> /day to Kabete Nairobi
4	Ithanga Water supply	The works were at 80.3% by the end of the FY	15th April 2016	15th October 2019	1,200,000,000	Deliver additional 9,000m <sup>3</sup> /day (from existing 1,200m <sup>3</sup> /d pumped system) to areas of Kakuku, Ithanga
5	Water & Sanitation Services & Improvement Project (Athi WSB)	90 % of the program works have been done	19th December 2012	15th December 2019	16,000,000,000	Additional 140,000 m <sup>3</sup> /day for Nairobi; 14,000 m <sup>3</sup> /day for Muranga, 14,000m <sup>3</sup> /day for Kiambu, 14,000 m <sup>3</sup> /day for Meru, Machakos, Makueni, Kitui and Kajiado counties

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**



**Asset development**

AWWDA developed and/or acquired assets worth Kshs 7,976,765,460 in the 2019/2020FY most of which are in work in progress while assets worth Kshs 1,339,626,032 previously reported as work in progress were completed and operationalized in the year.

**Major Risks**

AWWDA is faced with delays in the issuance of tax exemptions especially for projects contracted under the Kenya Towns programme which caused slow progress for the affected works. All those projects suffered lack of timely completion hence delays in service delivery for the target population. Such delays have had negative implication on donor confidence due to inability by the government to meet their commitment under the financing agreements.

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

No.	Project Name	Project status	Projected Timelines		Estimated Cost	Expected Output
6	Rehabilitation Of Water Supply And Sewerage For Oloitokitok Town	The progress of works was at 50 % by the end of 2018/19FY	8th April 2017	31st December 2019	888,000,000	Construction of water distribution network to improve access to 40,000 residents and sewer network and treatment plant of capacity 6,000m <sup>3</sup> /d to improve on sanitation
7	Kajiado Rural Water Supply	works are 75% complete	19th April 2016	31st December 2019	1,320,000,000	Additional 9,000m <sup>3</sup> /day water supply to the residents within the project area
9	Kenya Towns Sustainable water supply and Sanitation Program	Most of the works were contracted in the year and the contractors mobilized. The progress of works was at 5% by the end of the year.	9th February 2017	31st December 2021	8,800,000,000	Improvement in water supply and sanitation in Limuru, Kikuyu, Gatundu, Kiambu, Ruaka, Pemba, Changamwe, Machakos and mwala by constructing intakes, water transmission and distribution lines, trunk and reticulation sewers and waste water treatment plants
10	Nairobi Metro Area Bulk water Sources-Ruiru II Dam	The progress of works was at 10% by the end of the year.	2nd Sept 2017	3rd March 2020	24,000,000,000	Additional 51,000m <sup>3</sup> /day Water produced for Karuri, Kiambu and Githunguri
11	Nairobi Metro Area Bulk water Sources-Karimenu II	The progress of works was 10% by the close of the year	3rd May 2017	4th November 2020	21,000,000,000	Additional 70,000m <sup>3</sup> /d for supply in Ruiru, Juja and Nairobi
12	Nairobi Rivers Basin Restoration Programme: Sewerage improvement	The works were 100 % by the end of the year	September 2012	December 2017	4,239,000,000	Nairobi city sewer rehabilitation, drilling and equipping of boreholes in Nairobi and purchase and delivery of sewer flushing units
	<b>TOTAL</b>				<b>95,378,000,000</b>	

## **CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

AWWDA exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on Seven (7) pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar:

**Pillar 1: Water Coverage-** AWWDA continued implementing sixteen water programmes geared towards improving water coverage in our area of jurisdiction. Two projects; Theta and Mukuyu Dams got completed and were operationalized in the year. The other projects are ongoing.

**Pillar 2: Sewerage and Sanitation Coverage-** a total of eight projects were under implementation during the year under review. Kariobangi waste water treatment plant got completed and was operationalized during the year.

**Pillar 3: Investment resources for water and sanitation infrastructure development-**in a bid to mobilize more funds for investment, AWWDA continued to explore alternative resource mobilization opportunities including the PPP model of financing whose preliminary discussions were furthered with the PPP unit of the National Treasury and Planning. Successful deliberations on the same will see a funding of approximately Kshs 18 Billion mobilized for the construction of Maragua 2 Dam.

**Pillar 4: Operationalization of Bulk Water Services Provision**

AWWDA is also exploring the possibility of operationalizing a bulk water company which will enable the entity transform to revenue generating which is critical for loan repayment and self-sustenance. Towards that end, AWWDA was able to:

- Identify and Gazette as key National Infrastructure for water;
- Open and operationalize the Karimenu II satellite offices.

**Pillar 5: Research and Development**

AWWDA continues to partner with local universities for collaborative studies and also to publish research papers.

**Pillar 6: Leadership and Governance**

In the year AWWDA undertook a review of the risk management framework and ensured timely submission of all the statutory reports to the relevant authorities.

**Pillar 7: Institutional Sustainability**

AWWDA continued the construction of the entity's headquarters, entered in to strategic relations with other government agencies for quicker processing of land and wayleaves, reclaimed initially grabbed land for infrastructure expansion and had it gazetted as public land. AWWDA also initiated the valuation process for all assets as the first step establishing their impairment or otherwise and incorporating inherited assets in to its asset register.

### **1. Sustainability strategy and profile -**

Access to clean and safe water in adequate quantities and the right to reasonable standards of sanitation is recognized as a key component in the attainment of the sustainable development goals (SDGs) and it is also enshrined in The Constitution of Kenya (CoK) 2010 as a basic human right of every Kenyan. To this end, the Water Act 2016 created a framework for the implementation of the constitutional requirement. AWWDA is strategically placed to ensure the development of water sources and waste water infrastructure to satisfy the right to water as outlined in the constitution and the Water Act 2016. The attainment of this requirement is faced by several challenges including rapid population growth especially in urban areas, increasing economic activities, adverse climatic changes and limited resources. AWWDA's 2018-2022 strategic plan took cognisance of these demands and challenges and laid down clear strategies to ensure attainment of each of the seven (7) pillars. AWWDA's mandate to develop water and sanitation infrastructure is key to the attainment of the vision 2030, the Medium-Term Plan III, Sustainable Development Goals, and the "Big four" agenda initiatives. We are glad to report that AWWDA continued to implement programs in line with these key sustainability goals.



## 2. Environmental performance

### Background

Environmental and Social Sustainability refers to concerted efforts to mitigate against environmental degradation and social impacts. It is the maintenance of the factors and practices that contribute to the quality of environment on a long-term basis as well acceptable social norms over the long term.

It involves making decisions and taking action that are in the interests of protecting the natural and social environment, with particular emphasis on preserving the capability of the environment to support human life; and social wellbeing of communities.

Athi Water Works Development Agency (AWWDA) as a state corporation with key functions of Planning, development, rehabilitation and expansion of water and sanitation services infrastructure is cognizant of the possible impacts (both positive and negative) resulting from interaction of the organization's activities with both physical and social environment. As such, AWWDA is committed to environmental conservation and protection as well as safeguarding of health and safety of workers within the premises and projects. Through the integrated Environment, Health and Safety policy statement, the organization commits to protecting the environment, preserving the health and safety of employees and communities, and ensuring safe development of water and sanitation infrastructure within the Institution's area of jurisdiction.

AWWDA has a structured way of managing the environmental and social aspects associated with its operations through the existing Environmental and Social Safeguards unit with a total of 10 permanent staff.

Pollution prevention, regulatory compliance, stakeholder engagement, public consultation and continual improvement are the key elements which underpins AWWDA environmental sustainability.

The objective of the AWWDA's environmental sustainability is therefore to promote sustainable development within our area of jurisdiction by ensuring environmental protection, social equity, and economic development.

### Approach

AWWDA environmental sustainability is guided by the Environmental Management and Coordination (Amendment) Act of 2015 which is the principal legislation governing the conduct of environmental management in Kenya; and the Constitution of Kenya, 2010. Other legislation related to natural resources such as Water Act, forest Act, Land planning Act, National land policy etc. as well as the Occupational Health and Safety Act, 2010 are also used as guidelines.

AWWDA also complies with the other environmental requirements of International Development Funding agencies such as World Bank, Africa Development Bank, French Development Bank among others.

**Table 1: Environmental and Social Safeguards**

IDF	Environment Safeguards Instruments	Description of safeguards
African Development Bank	Operational Safeguards (OS)	OS 1: Environmental and Social Assessment. OS 2: Involuntary Resettlement: Land Acquisition, Population Displacement and Compensation. OS 3: Biodiversity and Ecosystem Services. OS 4: Pollution Prevention and Control, Greenhouse Gases, Hazardous Materials and Resource Efficiency. OS 5: Labour Conditions, Health and Safety.

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

IDF	Environment Safeguards Instruments	Description of safeguards
World Bank	Environmental and Social operational policies (OP)	OP4.01: Environmental Assessment OP4.36: Forestry OP 4.04: Natural Habitats OP4.12: Involuntary Resettlement OP 4.11: Physical Cultural Resources OP 4.10: Indigenous Peoples Policy OP 4.09: Pests Control Management
KfW	Sustainability Guidelines	

**I. Environmental sustainability activities**

**Environmental sustainability planning**

AWWDA developed and operationalized the integrated workplace environment health and safety policy statement which states the organization's commitment to protect the environment, preserve the health and safety of AWWDA employees and communities, and ensure safe development of water and sanitation infrastructure. This policy statement provides a framework for developing environmental objectives, targets and programs.

The organizational service charter also include the environmental considerations such as the enforcement of water quality monitoring.

AWSB subjects all the new water and sanitation infrastructure projects to environmental and social impact assessment process in line with the Environmental Management and Coordination (Amendment) Act of 2015. In order to identify both potential positive and negative impacts. This process allows for provision of enhancement, mitigation, restoration and compensation measures to ensure that the projects are environmentally and socially sustainable. The reports are submitted to NEMA for review and licensing and also to funding agencies (where applicable) for approval based on international standards.

Some of the environmental and social impact assessment reports approved and the respective projects licensed by NEMA within the financial year include:

- i. Proposed Thika sanitation improvement project
- ii. Proposed Machakos water supply project
- iii. Proposed Augmentation of Ithanga water supply project – component II
- iv. Proposed Githunguri water improvement project Thika water supply improvement project
- v. Proposed Ngenda water supply
- vi. Variation of EIA license for proposed Kabete treatment- Mombasa Road Trunk Distribution Main
- vii. Variation of EIA License for construction of Murang'a Dam
- viii. Variation of EIA License for proposed Nairobi Rivers Sewerage Improvement Project (NARSIP) Phase II

Others reports submitted are awaiting approval and licensing.

AWWDA has in place an operational Environmental and social safeguards unit within the planning and Engineering department responsible for Environmental compliance and management.

**Pollution prevention and abatement**

AWWDA Complies with various legislation related to prevention and abatement of pollution such as EMCA (waste management) regulations, EMCA (water quality) regulations) EMCA (noise reduction) regulations, Water Act (water rules).

Programmes are in place to ensure that all operations are in compliance with these regulations. For instance, water abstraction permitting, effluent discharge planning and licensing, and workplace certification among others.

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

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- The boreholes drilled within this reporting period were authorized and permitted by WRMA.
- All sewerage treatment plants are designed to improve quality of final discharge into the receiving surface waters. These facilities are issued with effluent discharge permits based on effluent discharge and control plan.
- All ongoing construction projects are supervised and monitored to ensure proper implementation of project specific environmental management plans and environmental conservation.
- All motor vehicles are being regularly serviced as per manufacturer's recommendations.

**Climate change mitigation and adaptation**

AWWDA implements some projects with measures to adapt and/or mitigate against effects of climate change. For instance rehabilitation of Dandora sewerage treatment plant is aimed at improving efficiency so as to reduce the amount of GHG emission. The organization is also exploring the possibility of trapping methane generated from the sewerage treatment plants for energy use.

AWWDA is drilling and equipping boreholes to provide alternative water sources in ASALs to help communities in those areas adapt to water scarcity which is associated with climate change.

AWWDA is also implementing large and medium dams to provide water storage thereby providing adaptation measures to water scarcity resulting from climate change.

Community projects focusing on rain water harvesting and development of water pans also provide additional water storage to help communities and schools deal with water scarcity.

The Agency also undertakes tree planting within the area of jurisdiction as a climate change adaption measure to act as carbon sinks.

**Promoting Environmental protection and conservation through partnerships with stakeholders**

AWWDA continually work together with partners such as County governments, community members, WRA, NEMA, Water Resource Users Associations, local administrations etc. within its area of jurisdiction to enhance participation of stakeholder and sustainability of projects.

AWWDA in collaboration with County Government of Kiambu a total number of 12,900 assorted indigenous and fruit trees within Bathi River catchment area.

**Environmental education and awareness**

AWWDA through its corporate communication section develop and disseminate information on water conservation and rain water harvesting through fliers, brochures, print media, radio and TV.

**II. Social sustainability activities**

**Socio-economic impact assessment**

Social Impact Assessment (SIA) is now conceived as being the process of identifying and managing the social issues of project development, and includes the effective engagement of affected communities in participatory processes of identification, assessment and management of social impacts. SIA also contributes to the ongoing management of social issues throughout the whole project development cycle, from conception to post-closure.

AWWDA focuses on social impact assessment to enhance the benefits of projects to impacted communities. This is also necessary for the project to earn its 'social license to operate'.

Enhancing benefits covers a range of issues, including: modifying project infrastructure to ensure it can also service local community needs; providing social investment funding to support local social sustainable development and community visioning processes to establish strategic community development plans; a genuine commitment to maximizing opportunities for local content (i.e. jobs for local people and local procurement) by removing barriers to entry to make it possible for local enterprises to supply goods and services; and by providing training and support to local people.

Where people's assets and properties are affected, the AWWDA ensures that there is prior and informed consent from the project affected persons; that there is prompt and adequate compensation for any loss; and where people are

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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resettled to enable a project to proceed, the Agency ensures that their post-resettlement livelihoods are restored and enhanced.

Other Social sustainability activities include:

- i. Stakeholder engagement and public participation
- ii. Livelihood restoration
- iii. Community benefits/ projects

**III. Environment and social sustainability management systems**

AWWDA aims at managing the various environmental and social aspects associated with different projects under implementation by developing and implementing project specific management and monitoring plans.

**Environmental and social Management Plans**

An Environmental and Social Management Plan (ESMP) provides the remedial measures to be taken, the responsible person(s) for execution, and the monitoring activities to be undertaken during the construction, operational and decommissioning phases.

An indication of the timing for implementation and the cost involved is also provided. It is a practical and achievable plan of management to ensure that any environmental impacts during the design, planning and construction phase are minimized. All contractors working with AWWDA submits an ESMP for their respective projects to AWWDA for review. AWWDA ensures that the ESMP is implemented at each phase of the project in order to minimize harmful occurrences to the environment, community members and the employees.

**Health and safety management plans**

In accordance with the requirements of the Occupational Safety and Health Act 2007, a Health and Safety Management Plan (HESMP) is prepared for each project being implemented by AWWDA. The objective of a HESMP is to establish safe working practices and standards, which are employed on site and to detail the organizational requirements and obligations of the contractor.

**Grievance Redress Mechanism.**

AWWDA recognizes the need for a Grievance Redress mechanism (GRM) throughout the project implementation period to identify disputes in good time and allow for them to be resolved in a transparent and accountable manner. Compensation based disputes are issues likely to occur during and after project implementation period, hence the need for GRM system.

The need for a GRM is obligated by the Land Act 2012 which recognizes the right of the affected persons to refer their disputes to the Land and Environment Court, while the Land Policy advocates for negotiation, mediation and arbitration to reduce the number of cases that end up in the court system and delayed justice. Similarly, project financing institutions guidelines and policies also call for appropriate and accessible grievance handling mechanisms for project affected persons.

**COVID-19 as a cross cutting issue**

The Ministry of Health confirmed incidences of COVID-19 in Kenya and directed the public to observe measures such as regular hand washing with soap and/or alcohol-based sanitizer to curb the spread of the disease declared a pandemic and a public health emergency of global concern on 11th March 2020 by World Health Organization (WHO).

AWWDA in collaboration with Water Resources Authority (WRA) and Nairobi City Water and Sanitation Company (NCWSC) implemented community water supply projects in the informal settlements within Nairobi city in order to increase access to safe water for the residents and promote hygiene practices to effectively fight the pandemic. A total of 66 new boreholes were drilled and equipped, associated water tanks and kiosks were also installed.

**IV. Conclusion**

AWWDA is committed to Environmental Conservation and safeguard of the Health and Safety of employees as well as communities affected by the organization's operations. The organization continuously works towards compliance with the

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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Environmental Management Act 1999 (Amendments 2015), Occupational Health and Safety Act 2007 as well as achieving the international best practices throughout the Agency's operations.

### **3. Employee welfare**

AWWDA has developed an approved Human Resource Instruments in which one of the guidelines is a comprehensive Human Resource Policy and Procedures Manual which is the primary document in the management of the Human Resources at the Agency. The document contains provisions for managing the entire scope of Human Resource Management and Development cycle.

It generally guides the implementation of the policies and decision making at various levels within the Agency on matters human capital. The policy provision covers the entire recruitment process, pay and benefits, employee relations, performance management, training & development and the health and safety issues. In consideration of the affirmative actions, the policy addresses issues related to gender balance, persons with disability and consideration of the marginalized communities in all aspects of human resources dynamics.

Under the career development, AWWDA has a comprehensive career progression document that outlines employee succession plans including requirements for internal promotions and the external engagements where talents may be required within its establishment. This is an instrument that outlines job descriptions for each cadre of employee. Together with the annual departmental workplans and the Government's performance contracting tool enables employees set their targets and eventually evaluated through annual appraisals. The evaluation enables employees of the Agency to be upskilled, helped or otherwise redeployed and upscaled.

The Agency also recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, it implements policies and programmes that assure their protection from such hazards and disasters. The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws.

### **4. Market place practices-**

AWWDA ensures incorporation of competitive market practices through, encouraging competitive bidding by placing advertisements for all tenders in our local dailies, our website and The Govt. of Kenya Treasury portal. This enables all prospective bidders to access the information and to participate. At the close of all tenders, representatives who choose to attend are invited to witness the opening of the tenders to ensure transparency in the bidding process. All the participants are informed of the outcome of the procurement process.

AWWDA has always maintained an effective feedback mechanism by holding an annual supplier meeting to get feedback from suppliers and contractors. Any concerns raised during the forum are adequately addressed. All engagements between AWWDA and suppliers and/or contractors take the form of purchase orders and contracts which are signed by both parties and they clearly enumerate responsibilities and obligations of either party. The payment schedules also form part of the contracts and they are strictly adhered to during the contract period.

AWWDA encourages public participation and also clearance by relevant Govt agencies to ensure consumer rights and interests are not infringed

### **5. Community Engagements-**

Athi Water is committed to perform ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. AWWDA undertakes to conduct business in a way which will achieve sustainable growth, in line with legal and moral obligations. We aim to achieve our business objectives in a caring and responsible manner taking into account economic, social and environmental impacts. In light of this, AWWDA has conducted various CSR projects as follows;

#### **Service Delivery**

In line with the right to Access to Information as enshrined under Article 35 of the COK and as part of disability mainstreaming, AWWDA is committed to increasing access to the visually impaired. During the financial year 2019/2020,

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

No	Section of Trunk Sewer Line	Location	River Basin	No. of Tree Seedlings Planted
6.	Dandora Box Culvert	Njiru, Eastern By-Pass, Dandora Ponds	Ngong River Basin	3,125
7.	South Nairobi Dam Trunk Sewer	Nairobi Dam, Sunrise Secondary School		970
8.	Kibera Trunk Sewer	Nyayo Highrise, T-Mall, Nairobi West & Matter Hospital		813
9.	Mathare Trunk Sewer	Mlango Kubwa, Huruma, Kariobangi North		1,100
10.	Getathuru Trunk Sewer	Mathare Valley, Mathare 4A		4,874
11.	Kiu Trunk Sewer Pump House Compound		Mathare River Basin	1 Acre of Grass Planted
12.	Others – Ngairubi Sec School			225
	<b>TOTAL</b>			<b>25,225</b>

**Tree planting activities under the Kenya Towns Program**

AWWDA partnered with Kiambu County Government to plant trees in an effort to conserve River Bathi. AWWDA provided 3000 seedlings of indigenous trees and 1000 avocado seedlings. The indigenous tree seedlings were planted along the riparian of River Bathi. The avocado seedlings were distributed to the community living around River Bathi catchment as an incentive to take care of the planted seedlings. The tree planting exercise involved the community in Kirega and Bathi Locations in collaboration with the local administration.

**Atth Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

AWWDA brailled and distributed 100 copies of the service delivery charter on 28<sup>th</sup> February 2020 at the Thika School for the Blind. During the event, AWWDA also donated a 6000lts plastic water tank for rain water harvesting and dry food stuffs to boost the school feeding program.

**Distribution of water tanks;**

AWWDA through the support of the Government of Kenya is addressing the water crisis currently being experienced public schools through supply of branded plastic water tanks. The tanks are 100no. 6,000l water tanks have been distributed to schools within Nairobi, Murang'a and Kiambu counties at a cost of Kshs. 4,988,000.00.

**Community support activities under the Northern Collector Tunnel Project**

AWWDA has undertaken Community Water Supply Projects under the WaSSIP Programme as follows;

1. Ten Number community water supply projects to establish an additional production of 42,000m<sup>3</sup> of water per day to serve over 400,000 people in Muranga, Kigumo, Mathioya and Kiharu. The scope of these projects entails main water supply, whereby the Individual Connections will be installed by Water Service Providers (WSP)
2. Engineer's Project office and Accommodation were constructed of permanent design and will be handed over to the Community upon completion of the Project
3. Two four-wheel drive ambulances purchased under the Project will be handed over to the community after completion of the project.
4. Excavated Spoil material from the Tunnel is being used by the local tea factories for road maintenance. So far, a total of 57,686 Tones has been utilized with a value of approximately Kshs. 90M using delivery rates at site.

**Tree planting activities under Northern Collector Tunnel Project**

AWWDA has supported conservation of Kaanja Site within the Aberdares water catchment and the surrounding areas in the Northern Collector Tunnel 1 Project. AWWDA planted 5,000 tree seedlings of different species at a ceremony graced by the CS Ministry of Water, Sanitation and Irrigation, several members of parliament, local administration and KFS officials.

**Tree planting activities under Nairobi Rivers Sewerage Improvement Project**

AWWDA planted a total of 25,225 tree seedlings along the wayleave of the rehabilitation/contrasted sewer lines in order to protect the trunk lines and the riparian areas from encroachment as follows;

No	Section of Trunk Sewer Line	Location	River Basin	No. of Tree Seedlings Planted
1.	Kiu Trunk Sewer	Kamuthi, Kahawa, Wendani, Kahawa Sukari, Brookside, Eastern By-Pass & Kenyatta Farm	Kiu River Basin	1,800
2.	Nairobi Duplication Trunk Sewer	Globe Cinema, Grogan, Kamkunji and Eastleigh	Nairobi River Basin	4,210
3.	Nairobi River Trunk Sewer Extention	Kawangware, ILRI, Kirigu		2,830
4.	Riruta North Trunk Sewerer	Riruta		1,290
5.	Kirichwa Ndogo Trunk Sewer	Kilimani		3,988



**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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**REPORT OF THE DIRECTORS**

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

**Principal activities**

The principal activities of AWWDA as per the Water Act of 2016 are;

- Undertaking the development, maintenance and management of National Public Waterworks;
- Operate the waterworks and provide water services as a water service provider, until such a time as responsibility for the operation and management of waterworks are handed over to a county government, joint committee, authority of county government or water services provider,
- Provide reserve capacity for purposes of providing water services where the Regulatory Board orders the transfer of water services functions from a defaulting water services provider to another licensee,
- Provide technical services and capacity building to such county government and water providers,
- Provide to the cabinet secretary technical support in discharge of his or her functions under the constitution the Water Act 2016.

**Results**

The results of the entity for the year ended June 30, 2020 are set out on pages 1-44

**Directors**

The members of the Board of Directors who served during the year are shown on page iv-vi.

**Dividends/Surplus remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity did not make any surplus during 2019/2020FY and hence no remittance to the Consolidated Fund.

**Auditors**

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

By Order of the Board

CS. Joyce N. Mukururi

Date: 16/03/2021

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

The Directors are responsible for the preparation and presentation of the AWWDA's financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (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 AWWDA; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the AWWDA'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 AWWDA's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the AWWDA's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for AWWDA, which have been relied upon in the preparation of the AWWDA's financial statements as well as the adequacy of the systems of internal financial control.

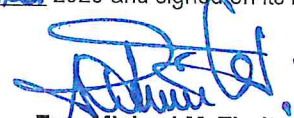
Nothing has come to the attention of the Directors to indicate that AWWDA will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

AWWDA's financial statements were approved by the Board on 28<sup>th</sup> September 2020 and signed on its behalf by:



Hon. Eng. John Kiragu Chege  
Chairman

  
Eng. Michael M. Thuita  
Chief Executive Officer

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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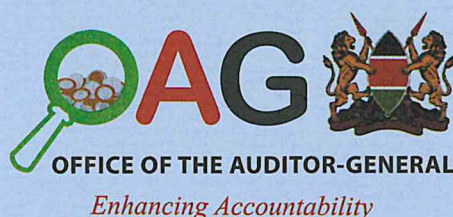
REPORT OF THE INDEPENDENT AUDITORS ON ATHI WATER WORKS DEVELOPMENT AGENCY

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON ATHI WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Athi Water Works Development Agency set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

#### Basis for Qualified Opinion

##### 1. Property, Plant and Equipment

###### 1.1 Fully Depreciated Assets in Use

As disclosed in Note 16 to the financial statements, the statement of financial position reflects a balance of Kshs.46,285,459,954 under property, plant and equipment. Excluded from the balance are fully depreciated assets with an original cost of Kshs.275,001,095. These assets are still in good working condition and were in use during the year under review. However, contrary to the requirements of IPSAS 17, Management have not revalued the assets and recognized them in the Agency's books at the revaluated amounts.

###### 1.2 Failure to Recognize Inherited Assets

As previously reported, the Agency inherited infrastructure assets of an undetermined value previously held by the Ministry of Water and Irrigation and the defunct National Water Conservation and Pipeline Corporation. However, these assets have not been incorporated in the assets register of the Agency for the year under review.

Under the circumstances, the accuracy, valuation and completeness of the Agency's property, plant and equipment balance amounting to Kshs.46,285,459,954 as at 30 June, 2020 could not be confirmed.

## **2. Un-Serviced Loan**

The statement of financial position reflects loans totaling Kshs.44,317,640,382 which, as disclosed in Note 27 to the financial statements, includes a French Government Agency (AFD) loan with a book balance of Kshs.3,097,428,323 (original amount: Kshs.3,850,000,000) on-lent to the Agency by The National Treasury in two disbursements of Kshs.1,870,000,000 and Kshs.1,980,000,000 in 2006 and 2009, respectively. The loan was repayable in fifteen (15) years from the contract date at an interest rate of 2.9%, among other terms. According to the subsidiary agreement between the Agency and The National Treasury, the Agency was to make semi-annual payments of both the principal and interest, as the amounts fell due. However, during the year under review, the Agency only paid Kshs.15,527,875 out of the sum (including arrears) of Kshs.89,825,421 due in relation to the 2019/2020 financial year.

Further, the current obligations pertaining the loan, which comprise of principal loan due within the period and accrued interest, have not been classified as current liabilities in the statement of financial position as at 30 June, 2020.

## **3. Long Outstanding Receivables**

The statement of financial position reflects receivables from exchange transactions totalling Kshs.4,486,048,000 as at 30 June, 2020. As disclosed in Note 19 to the financial statements, the receivables balance includes an amount of Kshs.4,112,329,326 owed by the Nairobi County Water and Sewerage Company and a sum of Kshs.373,718,674 owed by various other Water Service Providers that have been outstanding for more than ninety (90) days and are therefore, overdue for payment.

Further, the statement of financial position reflects receivables from non-exchange transactions amounting to Kshs.13,413,273,791 which includes an amount of Kshs.7,092,497 due from the High Court of Kenya, which arose in 2014/2015 financial year.

Under the circumstances, recoverability of the long outstanding debts totalling Kshs.4,493,140,497 remains doubtful.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Athi 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 the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness of 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**

#### **Delays in Remitting Taxes**

The statement of financial position reflects a balance of Kshs.1,714,035,468 under trade and other payables from exchange transactions which, as disclosed in Note 23 to the financial statements, includes an amount of Kshs.308,791,290 in respect of Value Added Tax (VAT) and Withholding Tax. The amount includes VAT recoveries of Kshs.85,792,519 from three contractors dating back to June, 2016 and June, 2017. The VAT recoveries were not remitted to the Kenya Revenue Authority as required under the Value Added Tax Act.

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 on whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities which govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance on whether effective processes and systems of internal control, risk management and 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 those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 assessment of the effectiveness of the internal control, risk management and governance.

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report which 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 review is planned and performed to express a conclusion on whether, in all material respects, 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, in accordance with the provisions of Article 229(6) of the Constitution, and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control which 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 which 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 which 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 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 sustaining 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 which achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu  
AUDITOR-GENERAL

Nairobi

09 November, 2021

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

**ATHI WATER SERVICES BOARD**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**PERIOD ENDED 30TH JUNE 2020**

	Notes	Jun-20 KSH	Jun-19 KSH
<b>REVENUE</b>			
Revenue from non-exchange transactions			
Grants - Restricted (Donor)	<u>6</u>	274,552,415	250,977,749
Grants - Unrestricted (GoK)	<u>7</u>	582,829,524	607,691,157
Revenue from exchange transactions			
Receipts from Water Service Providers	<u>8</u>	17,301,118	17,303,340
Finance Income	<u>9</u>	122,273,441	51,935,311
<b>TOTAL REVENUE</b>		<b>996,956,497</b>	<b>927,907,556</b>
<b>EXPENDITURE</b>			
Administrative Expense	<u>10</u>	138,901,299	144,084,801
Remuneration of Directors	<u>11</u>	26,433,708	32,438,161
Employee Cost	<u>12</u>	240,023,014	226,967,548
Operational Expenses	<u>13</u>	131,600,767	141,648,676
General Expenses	<u>14</u>	5,950,801	8,531,470
Project Costs	<u>15</u>	265,759,126	208,723,934
Depreciation & amortization	<u>16 &amp; 17</u>	624,098,101	536,242,169
Finance Cost	<u>27</u>	171,157,989	87,475,395
<b>TOTAL EXPENDITURE</b>		<b>1,603,924,806</b>	<b>1,386,112,154</b>
Other gains/(losses)			
Decrease/(increase) in provisions	<u>24</u>	989,478	12,036,598
<b>NET SURPLUS/(DEFICIT)</b>			
<b>TRANSFER TO ACCUMULATED FUND</b>		<b>(605,978,830)</b>	<b>(446,168,000)</b>

The notes set out on pages 10 to 35 form an integral part of these Financial Statements

Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020

ATHI WATER WORKS DEVELOPMENT AGENCY STATEMENT OF FINANCIAL POSITION PERIOD ENDED 30TH JUNE 2020			
	Notes	2019-2020	2018-2019
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	<u>18</u>	6,456,954,609	2,494,946,550
Receivables from exchange transactions	<u>19</u>	4,486,048,000	4,487,464,837
Receivables from non-exchange transactions	<u>20</u>	13,413,273,791	8,839,283,025
Inventories	<u>21</u>	1,469,935	4,534,126
Prepayments	<u>22</u>	25,266,442	10,488,008
Subtotal current assets		24,383,012,778	15,836,716,546
<b>Non-current assets</b>			
Property, plant and equipment	<u>16</u>	46,285,459,954	38,880,368,292
Intangible assets	<u>17</u>	116,434,055	174,590,846
Sub-total non current assets		46,401,894,010	39,054,959,138
<b>Total assets</b>		70,784,906,788	54,891,675,684
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	<u>23</u>	1,714,035,468	1,327,839,153
Provisions	<u>24</u>	236,542,058	237,531,537
Deferred income short term	<u>25</u>	1,704,675	2,004,890
Employee entitlements and payroll creditors	<u>26</u>	4,086,933	4,911,334
Sub-total current liabilities		1,956,369,134	1,572,286,913
<b>Non-current liabilities</b>			
Loans	<u>27</u>	44,317,640,382	35,458,010,300
Deferred income long-term	<u>28</u>	24,435,045,594	17,179,547,961
		68,752,685,975	52,637,558,261
<b>Total liabilities</b>		70,709,055,109	54,209,845,174
<b>Net assets</b>		75,851,679	681,830,510
Accumulated surplus	<u>29</u>	75,851,678	681,830,509
<b>Total net assets and liabilities</b>		70,784,906,788	54,891,675,684

The Financial Statements set out on pages 1 to 47 were signed on behalf of the Board of Directors by:

  
Chief Executive Officer  
Name: Eng. Michael M. Thuita

  
Head of Finance  
Name: Michael Kihungi Kimotho  
ICPAK Member Number: 6490

  
Chairman  
Name: Hon. Eng. John Kiragu Chege

Date: 16/03/2021

Date: 16/03/2021

Date: 16/03/2021

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

<b>ATHI WATER WORKS DEVELOPMENT AGENCY</b>		
<b>STATEMENT OF CHANGES IN NET ASSETS</b>		
<b>FOR THE PERIOD ENDED 30TH JUNE 2020</b>		
	<b>Retained earnings</b>	<b>Total</b>
	<b>Amount (Kshs)</b>	<b>Amount (Kshs)</b>
At July 1, 2018	1,127,998,509	1,127,998,509
Total comprehensive income/loss	(446,168,000)	(446,168,000)
At June 30, 2019	681,830,509	681,830,509
At July 1, 2019	681,830,509	681,830,509
Total comprehensive income	(605,978,830)	(605,978,830)
At June 30, 2020	75,851,678	75,851,678

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

<b>ATHI WATER WORKS DEVELOPMENT AGENCY</b>			
<b>STATEMENT OF CASHFLOWS</b>			
<b>FOR THE YEAR ENDED 30TH JUNE 2020</b>			
	<b>Notes</b>	<b>2019-2020</b>	<b>2018-2019</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Government grants recurrent	<u>30</u>	400,000,000	437,470,000
Receipts from WSPs	<u>31</u>	18,717,954	21,702,387
Miscellaneous Finance income	<u>9</u>	122,273,441	51,935,311
<b>Total Receipts</b>		<b>540,991,395</b>	<b>511,107,698</b>
<b>Cash payments for:</b>			
Compensation of employees	<u>32</u>	240,847,416	227,709,519
Administration costs	<u>33</u>	161,177,440	127,408,581
Directors remuneration	<u>34</u>	26,433,708	32,438,161
General expenses	<u>14</u>	5,950,801	8,531,470
Operational costs	<u>35</u>	314,952,157	241,416,740
Other payments-project and GoK counterpart costs			
<b>Total Payments</b>		<b>749,361,521</b>	<b>637,504,471</b>
<b>Net cash flows from operating activities</b>		<b>(208,370,126)</b>	<b>(126,396,773)</b>
<b>Cash payments for investing activities</b>			
Purchase of property, plant, equipment and intangible assets	<u>36</u>	(7,526,562,108)	(8,201,128,534)
Proceeds from sale of property, plant and Equipment			
Decrease/(decrease) in non-exchange receivables	<u>37</u>	(4,573,990,766)	(1,436,510,682)
Increase in investments			
<b>Net cash flows used in investing activities</b>		<b>(12,100,552,874)</b>	<b>(9,637,639,216)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	<u>38</u>	8,703,999,968	6,724,063,379
Repayment of borrowings	<u>39</u>	(15,527,875)	(6,440,000)
Increase in deferred income	<u>40</u>	7,582,458,967	4,323,361,591
<b>Net cash flows used in financing activities</b>		<b>16,270,931,060</b>	<b>11,040,984,970</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,962,008,059</b>	<b>1,276,948,981</b>
Cash and cash equivalents at 1 JULY	<u>18</u>	2,494,946,550	1,217,997,568
Cash and cash equivalents at 30 JUNE	<u>18</u>	6,456,954,609	2,494,946,550

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

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

DESCRIPTION	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% variance	Remarks
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	fid	
	Kshs	Kshs	Kshs	Kshs	Kshs		
Receipts from Water Companies for loan repayment							
Loan repayment from other wssps	17,303,118	-	17,303,118	17,301,118	2,000	0%	Within Budget
Gross loan repayment fee	17,303,118	-	17,303,118	17,301,118	2,000	0%	within budget
Miscellaneous income	45,000,000	-	45,000,000	122,273,441	77,273,441	172%	Due to delays in contract implementation resulting from court cases, Monies for such projects were put in interest earning call and fixed deposit accounts
<b>GRANT INCOME</b>							
Grants - Restricted (Donor)	250,000,000	-	250,000,000	274,552,415	(24,552,415)	10%	Progress on this was affected by delays in masterlist approvals
Grants - Recurrent (GOK)	400,000,000	-	400,000,000	400,000,000	(0)	0%	Within Budget
Grant - Unrestricted Development (Gok)	170,000,000	-	170,000,000	182,829,524	12,829,524	8%	within the budget
Subtotal Grant Income	820,000,000	-	820,000,000	857,381,938	(11,722,891)	5%	Within Budget
<b>TOTAL INCOME</b>	882,303,118	-	882,303,118	996,956,497	65,552,550	13%	Within Budget
<b>Expenses</b>							
<b>A) Administration</b>							
Rent and Rates	26,000,000	(3,500,000)	22,500,000	24,440,599	-1,940,599	-9%	Within budget
Advertising	7,000,000	2,500,000	9,500,000	8,798,862	701,138	7%	Within budget
Official Entertainment	2,178,000	(717,000)	1,461,000	861,497	599,503	41%	There was reduced expenditure due to cost cutting measures directives by the National Treasury and there were less physical meeting due to COVID 19 pandemic.
General office running expenses	3,025,000	1,475,000	4,500,000	4,824,419	-324,419	-7%	within budget
Printing & Stationary	5,808,000	(500,000)	5,308,000	4,666,785	641,215	12%	There were less physical meeting and physical documents as the organization adopted electronic documentation due to COVID 19 pandemic.
Education & training	12,000,000	-	12,000,000	8,884,680	3,115,320	26%	Some trainings were not undertaken as planned due to COVID 19 pandemic.
Library Expenses	660,000	840,000	1,500,000	910,868	589,132	39%	The organization adopted electronic documentation and reduced the number of physical newspapers due to COVID 19 pandemic.
Workshop and Seminars	8,000,000	1,000,000	9,000,000	9,122,864	-122,864	-1%	Within budget

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

Travel and accommodation	12,500,000	-	12,500,000	12,815,507	-315,507	-3%	Within budget
Telephone Expenses	4,000,000	(500,000)	3,500,000	2,706,102	793,898	23%	There was reduced expenditure due to cost cutting measures directives by the National Treasury.
Audit Expenses	968,000	-	968,000	928,000	40,000	4%	Within budget
Bank Charges	5,808,000	-	5,808,000	18,878,763	-13,070,763	-225%	This increase due to the increase in interest income which led to an increase in the withholding tax.
I.T Costs	7,000,000	-	7,000,000	7,207,929	-207,929	-3%	Within budget
Transport operating	10,098,000	1,402,000	11,500,000	12,119,787	-619,787	-5%	within budget
Uniform and clothing	2,374,504	-	2,374,504	302,461	2,072,043	87%	The Staff uniforms were not procured due to cashflow constraints
Repairs & maintenances-Office Equipment,Furniture and Fittings	3,630,000	(2,000,000)	1,630,000	95,455	1,534,545	94%	There were few repairs to be undertaken in the office.
Emergency Works and Hire of plant & Equipment	968,000	-	968,000	0	968,000	100%	During the Financial Year AWWDA AWWDA did not hire any plant and Equipment. Any Equipment required was sourced through the respective projects and included in the project costs.
Professional Consultancy Fees	25,000,000	-	25,000,000	19,905,260	5,094,740	20%	The consultancy savings was due to a reduced number of courtcases and utilization of internal capacity to represent the institution.
Monitoring and Evaluation	2,400,000	-	2,400,000	1,431,460	968,540	40%	Due to the COVID 19 pandemic, most activities were undertaken Virtually. This meant there was reduced movements and cost implications.
<b>Sub -total</b>	<b>139,417,504</b>	<b>-</b>	<b>139,417,504</b>	<b>138,901,299</b>	<b>516,205</b>	<b>0%</b>	<b>within the budget</b>
<b>B) Remuneration of Directors</b>							
Honoraria	960,000	-	960,000	960,000	0	0%	Within the budget
Board Allowances	28,000,000	-	28,000,000	25,473,708	2,526,292	9%	This was due to reduced number of physical meetings and field visits.
<b>Sub total</b>	<b>28,960,000</b>	<b>-</b>	<b>28,960,000</b>	<b>26,433,708</b>	<b>2,526,292</b>	<b>9%</b>	<b>Within the budget</b>
<b>C) Employee Costs</b>							
Basic pay	157,090,046	-	157,090,046	141,143,804	15,946,242	10%	There were vacancies which were not filled during the year.
House allowance	31,270,896	-	31,270,896	31,267,107	3,789	0%	Within the budget
Entertainment allowance	1,134,000	-	1,134,000	1,002,040	131,960	12%	There were vacancies which were not filled during the year.
Transport allowance	10,120,800	-	10,120,800	9,755,927	364,873	4%	within the budget
Leave and Passage allowance	2,536,701	-	2,536,701	2,537,329	-628	0%	More staff were recruited towards the end of the year
Gratuity Contributions	27,000,000	-	27,000,000	25,334,433	1,665,567	6%	within budget
							It was anticipated that AWWDA will meet the NSSF cost



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

N.S.F Employers contribution	2,182,950		2,182,950	182,400	2,000,550	92%	for the project staff. This cost was borne by the respective contractors and this reduced the expenditure on AWWDA. The actual expenditure is for AWWDA staff only.
Staff Welfare	5,000,000	1,000,000	6,000,000	5,743,376	256,624	4%	within budget
Medical Expenses	26,266,800	-	26,266,800	22,806,201	3,460,599	13%	The costing was reduced from the competitiveness in the market.
Interns Allowance	2,500,000	(1,000,000)	1,500,000	250,396	1,249,604	83%	The number of interns engaged were reduced since the Public service commission provided interns and some were paid from projects.
Other Allowances- Bonus	-	-	0	0	0	0%	No bonus was paid in the year
<b>Sub total</b>	<b>265,102,193</b>	<b>-</b>	<b>265,102,193</b>	<b>240,023,074</b>	<b>25,079,179</b>	<b>9%</b>	<b>Within the budget</b>
<b>D) General Expenses</b>							
Membership to professional associations	1,820,303	-	1,820,303	1,132,146	688,157	38%	The number of invoices received were less than anticipated. This was due to the COVID 19 pandemic.
General Insurance	7,200,000	-	7,200,000	4,818,655	2,381,345	33%	The bids received were competitive and this led to a savings on this component.
<b>Sub total</b>	<b>9,020,303</b>	<b>-</b>	<b>9,020,303</b>	<b>5,950,801</b>	<b>3,069,502</b>	<b>34%</b>	
<b>E) Operation Expenses</b>							
Planning and Design	2,000,000	(500,000)	1,500,000	688,705	811,295	54%	The design aspect of the projects were incorporated in the works contracts which lead to a reduction of the money sent from the recurrent budget.
Environmental impact Assessment	500,000	500,000	1,000,000	325,734	674,266	67%	There were projects in the process of preparation which were affected by the COVID 19 pandemic since stakeholder consultation could not be undertaken and this led to low disbursement.
Project costs	437,303,118	-	437,303,118	396,345,455	40,957,663	9%	Due to reduced working hours in the projects caused by COVID 19 pandemic, less funds were amortised for the projects.
<b>Sub total</b>	<b>439,803,118</b>	<b>-</b>	<b>439,803,118</b>	<b>397,359,894</b>	<b>42,443,224</b>	<b>10%</b>	
Depreciation	-	-	-	624,098,101	(624,098,101)		It is not a cashflow item hence was not budgeted for
Interest on loan/loan repayment	-	-	-	171,157,989	(171,157,989)		It is not a cashflow item hence was not budgeted for
<b>Total Expenditure</b>	<b>882,303,118</b>	<b>-</b>	<b>882,303,118</b>	<b>1,603,924,806</b>	<b>(721,621,689)</b>	<b>-82%</b>	
Recurrent Surplus before provisions	-	-	-	(606,968,309)	787,174,238		
Less increase in provisions	-	-	-	989,478	(989,478)		It is not a cashflow item hence was not budgeted for
<b>Recurrent Surplus after provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(605,978,830)</b>			

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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**NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Athi Water Works Development Agency is established by and derives its authority and accountability from Water Act 2016. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. AWWDA's principal activity is to ensure efficient, effective and sustainable provision of quality and affordable water services (defined to include sewerage) in its area of jurisdiction - Nairobi County, Kiambu County and Muranga County.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity'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.

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

The financial statements have been prepared in accordance with the PFM Act, the Water Act 2016, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. ADOPTION OF NEW AND REVISED STANDARDS**

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

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

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

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

Standard	Effective date and impact:
<p><b>IPSAS 41: Financial Instruments</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b>                      The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.                      IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul> <p>IPSAS 41, is not applicable to AWWDA because the entity does not invest in financial instruments.</p>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b>                      The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ol>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ol> <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><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <ol style="list-style-type: none"> <li>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on</li> </ol>

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

Standard	Effective date and impact:
	<p>impairment, in place of the current references to other international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>

**iii. Early adoption of standards**

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Fees, taxes and fines**

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

**Transfers from other government entities**

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

**Rendering of services**

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

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

**Sale of goods**

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

**Interest income**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2019-2020 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Kshs 5,154.98 Million GOK allocation while at the same time the entity experienced budgetary cuts of Kshs 4,280 Million on development partner allocations on the 2019-2020 budget following the governing body's approval.

AWWDA'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 in these financial statements.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Property, plant and equipment**

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

Depreciation is calculated on the straight-line basis, at annual rates estimated to write off the carrying values of the assets over their expected useful lives.

The annual depreciation/amortization rates in use are:

Office Equipment – Computers	33%
Furniture and fittings	10%
Motor Vehicles	25%
Plant and Equipment	10%
Dams and Pans	2.5%
Water Meters	20%
Water & Sewerage Infrastructure	2.5%

**e) 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 finite over a period of three years.

The amortization cost is calculated on the straight-line basis, at annual rates of 33% estimated to write off the carrying values of the intangible assets over their expected useful lives.

**f) Financial liabilities**

***Initial recognition and measurement***

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

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

***Loans and borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

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deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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

**i) Inventories**

Inventory is measured at cost upon initial recognition. The cost is determined using the First in First out (FIFO) method. After initial recognition, inventory is measured at the lower of cost and net realizable value. 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 AWWDA.

**j) Provisions**

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

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

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

***Contingent liabilities***

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. AWWDA had cases in court but the possible outflow is not quantifiable given that it was hard to predict the outcome.

***Contingent assets***

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



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. AWWDA only has accumulated fund for reserves.

**l) Changes in accounting policies and estimates**

AWWDA recognizes the effects of changes in accounting policy retrospectively.

**m) Employee benefits**

**Retirement benefit plans**

AWWDA 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. AWWDA subscribed to the Water Pension Scheme which is a defined contribution plan for all staff under permanent and pensionable terms; for management staff under contracts their gratuity is paid directly to their individual pension accounts held with different insurance companies. The entity therefore is under no obligation to pay further contributions in the event the fund managers don't hold sufficient assets to pay our employees.

**n) Capital and Revenue Grants**

Grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is initially recognized as deferred income (liability) and released as income over periods necessary to match the grant on a systematic basis to the cost that it is intended to compensate. When the grant relates to an asset, (Capital) the landed cost or the fair value is credited to a deferred income account and is released to the income statement income over the periods and in the proportions in which depreciation of those assets is charged.

**g) Deferred income recognition**

All Grant money received from Donors and GoK is initially recorded as deferred income in the financial statements. All recurrent project costs incurred in relation to the grant are debited to this this account and credited to grant income.

Grant expenditure relating to assets is periodically released to grant income by debiting the deferred income account with the value of the annual depreciation and crediting grant income with the same amount.

Deferred income is a liability in the books of accounts. The transactions passed are as given below:

Cash received from donor

Dr. Cash at Bank

Cr. Deferred income

Project costs

Dr. Deferred income

Cr. Grant income

Annual depreciation

Dr. Deferred income

Cr. Grant income

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) 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.

**p) 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.

**q) Related parties**

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

**r) Cash and cash equivalents**

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

**s) Comparative figures**

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

**t) Subsequent events**

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

**5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

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

**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 24.

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.

**Provision for untaken leave**

The amount reported in the statement of financial position is calculated on the assumption that if AWWDA was to close shop then it would have to pay staff for untaken leave calculated as:

$$\frac{\text{No of untaken leave days}}{30 \text{ Days}} \times \text{Basic pay}$$

- i. Provision for Audit and management fees

The amount reported in the accounts is equivalent to the most recent invoice from the office of the Auditor General

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

**Provision for Bad debts**

The reported amount is general provision calculated as 5% of the outstanding operational debtors (debtors resulting from exchange transaction).

**Provision for doubtful bank balances**

The provision of Kshs 7,862,977 being the 25% of the balance previously held at Chase Bank. This amount is currently under KDIC and AWWDA is currently unsure of the recoverability of the balance.

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Details	2020 Kshs	2019 Kshs
6	<b>Donor Grants Restricted</b>		
	ACP-EU	4,655,935	4,747,423
	IDA	1,684,141	5,078,905
	AFD	65,920,272	66,008,150
	WaSSIP	50,321,586	42,066,206
	KISSIP	7,234,152	7,367,157
	KFW-NTS	72,995,710	116,469,900
	ADB - Kibera	13,807,939	7,095,907
	Kajiado rural	808,000	2,144,100
	AfDB-Kenya Towns	57,124,680	
	<b>Total-it includes income earned from donor financing</b>	<b>274,552,415</b>	<b>250,977,749</b>
7	<b>Government of Kenya Grants-Un restricted</b>		
	Government of Kenya-AWWDA administration recurrent Grants	400,000,000	437,470,000
	Government of Kenya Grants-Project related grants	182,829,524	170,221,157
	<b>Total -This is government support for project specific recurrent costs as well as AWWDA administration costs</b>	<b>582,829,524</b>	<b>607,691,157</b>
8	<b>Receipts from Water Service Providers for loan repayment and administration fees</b>		
	Administration fee from Nairobi Water & Sewerage Company		
	Administration fee from Other WSP's		
	Loan repayment from NCWSC		
	Loan repayment from other WSPs	17,301,118	17,303,340
	<b>Total-This is a reimbursement to the recurrent costs of AWSB and loan repayment amount</b>	<b>17,301,118</b>	<b>17,303,340</b>
9	<b>Finance Income</b>		
	Miscellaneous income	2,356,449	1,299,029
	Interest on deposit	119,916,992	50,636,281
	Gain/(Loss) on Disposal		
	<b>Total-it includes majorly income from sale of tenders, and interest earned on bank deposits</b>	<b>122,273,441</b>	<b>51,935,311</b>
10	<b>Administrative Expense</b>		
	Rent and Rates	24,440,599	25,138,469
	Advertising Expenses	8,798,862	11,383,841
	Entertainment & Office Tea	861,497	131,318
	General Office Running Expenses	4,824,419	2,421,198
	Printing & Stationery	4,666,785	3,049,641
	Education and Training	8,884,680	13,874,702
	Library & subscription Expenses	910,868	405,006
	Workshops & seminars	9,122,864	16,121,664
	Travel and Accommodation	12,815,507	72,525,838
	Telephone Expenses	2,706,102	2,980,410
	Audit & Management fees	928,000	1,044,000
	Bank Charges	18,878,763	7,349,487
	IT Costs & Accessories	7,207,929	6,008,531
	Transport operating	12,119,787	13,486,527

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

	Uniform & Clothings	302,461	-
	Repairs& maintenances-Office Equipment,Furniture and Fttings	95,455	1,102,330
	Emergency Works and Hire of plant & Equipment	-	-
	Professional Consultancy Fees	19,905,260	15,814,692
	Monitoring and Evaluation	1,431,460	2,853,230
	<b>Total</b>	<b>138,901,299</b>	<b>195,690,882</b>
<b>11</b>	<b>Remuneration of Directors</b>		
	Honoraria	960,000	640,000
	Board Allowances	25,473,708	31,798,161
	<b>Total</b>	<b>26,433,708</b>	<b>32,438,161</b>
<b>12</b>	<b>Employee Costs</b>		
	Basic Pay	141,143,804	135,361,540
	House Allowance	31,267,107	27,880,732
	Entertainment Allowance	1,002,040	950,000
	Transport Allowance	9,755,927	8,518,143
	Leave and Passage allowance	2,537,329	1,722,200
	Gratuity Contribution	25,334,433	24,417,548
	N.S.S.F Employers Contribution	182,400	168,300
	Staff Welfare	5,743,376	4,477,875
	Medical Expenses	22,806,201	23,279,244
	Intern Allowance	250,396	191,967
	Other Allowance-Bonus	-	-
	<b>Total</b>	<b>240,023,014</b>	<b>226,967,548</b>
<b>13</b>	<b>Operational Expense</b>		
	Planning and Design	688,705	1,229,840
	Environmental Impact Assessment	325,734	1,401,688
	GOK-Counter funds-Project costs	130,586,328	139,017,148
	<b>Total</b>	<b>131,600,767</b>	<b>141,648,676</b>
<b>14</b>	<b>General Expenses</b>		
	Membership of Professional Associations	1,132,146	1,824,662
	Insurance	4,818,655	6,706,808
	<b>Total</b>	<b>5,950,801</b>	<b>8,531,470</b>
<b>15</b>	<b>Project Cost</b>		
	WASSIP	81,891,520	82,194,800
	KFW-NST	72,995,710	116,469,900
	AFD - NCT	-	10,059,234
	Kenya Towns	110,871,896	
	<b>Total</b>	<b>265,759,126</b>	<b>208,723,934</b>

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**16 Property plant and equipment for the year ended 30th June 2020: Fixed Asset Schedule**

	Office Equipment	Furniture & Fittings	Motor Vehicles & cycles	Plant & Equipments	Dams & Pans	Land	Meters	Water Infrastructure	Sewerage Infrastructure	Work in Progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
COST											
Cost Fully depreciated	43,291,409	13,464,907	186,545,378	5,166,617			5,012,100				253,480,410
Cost Depreciable	65,955,095	2,528,350	59,683,405	167,988,703	3,166,297,443	52,840,074	77,206,500	8,447,885,499	7,552,850,689	13,596,215,514	33,191,451,272
Subtotal Cost As at 1 July 2018	109,246,503	15,993,257	246,228,783	173,155,320	3,166,297,443	52,840,074	82,218,600	8,447,885,499	7,552,850,689	13,596,215,514	33,444,931,682
Additions											0
Purchase										8,484,022,760	8,484,022,760
Disposal			9,596,577	54,630,414		77,422,500		995,872,505	167,678,343	-1,474,200,954	-169,000,615
Reclassification			255,825,360	227,785,734	3,168,297,443	130,262,574	82,218,600	9,443,758,004	7,720,529,032	20,606,037,320	41,759,953,826
As at the 30 June 2019	109,246,503	15,993,257	255,825,360	227,785,734	3,168,297,443	130,262,574	82,218,600	9,443,758,004	7,720,529,032	20,606,037,320	41,759,953,826
Cost Fully depreciated	47,828,473	13,464,907	186,545,378	17,683,268			5,012,100				270,532,125
Cost Depreciable	61,420,031	2,528,350	69,279,982	210,102,466	3,168,297,443	130,262,574	77,206,500	9,443,758,004	7,720,529,032	20,606,037,320	41,489,421,700
Subtotal Cost As at 1 July 2019	109,246,503	15,993,257	255,825,359.86	227,785,734	3,168,297,443	130,262,574	82,218,600	9,443,758,004	7,720,529,032	20,606,037,320	41,759,953,826
Additions											0
Purchase	10,906,138									7,961,610,563	7,972,516,701
Disposal										-5,732,487	-5,732,487
Reclassification					83,511,120			276,535,845	979,579,067	-1,339,626,031	0
As at the 30 June 2020	120,152,641	15,993,257	255,825,360	227,785,734	3,251,808,563	130,262,574	82,218,600	9,720,293,848	8,700,108,099	27,222,289,365	49,726,738,040
DEPRECIATION											
As at 1 July 2018	81,780,978	14,858,114	208,014,915	65,655,870	505,265,738	0	49,479,669	836,905,089	589,080,427	0	2,351,040,801
Charge for the year	19,909,283	252,835	14,920,851	15,993,593	79,207,436	0	15,441,300	211,369,635	171,449,800	0	528,544,734
Depr/adj for Disposed Assets											0
As at 30 June 2019	101,690,261	15,110,949	222,935,766	81,649,463	584,473,174	0	64,920,969	1,048,274,725	760,530,227	0	2,879,585,534
As at 1 July 2019	101,690,261	15,110,949	222,935,766	81,649,463	584,473,174	0	64,920,969	1,048,274,725	760,530,227	0	2,879,585,534
Charge for the year	10,576,701	249,089	17,319,995	19,844,792	81,193,220	0	15,441,300	243,036,932	174,030,521	0	561,692,551
Depr/adj for Disposed Assets											0
As at 30 June 2020	112,266,963	15,360,038	240,255,762	101,494,256	665,666,394	0	80,362,269	1,291,311,657	934,560,748	0	3,441,278,086
Net Book Value 30th June 2020	7,885,678	633,219	15,569,598	126,291,479	2,586,142,169	130,262,574	1,856,331	8,428,982,192	7,765,547,350	27,222,289,365	46,285,459,954
Net Book Value 30th June 2019	7,556,242	882,308	32,889,594	146,136,271	2,583,824,269	130,262,574	17,297,631	8,395,483,279	6,959,998,805	20,606,037,320	38,880,366,292

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

17. Intangible assets as at 30th June 2020		
Description	2019-2020	2018-2019
	Kshs	Kshs
<b>COST</b>		
Cost Fully depreciated	50,885,027	33,076,843
Cost Depreciable	192,326,176	41,133,745
<b>Subtotal Cost As at beginning of the year</b>	<b>243,211,203</b>	<b>74,210,588</b>
<b>Additions</b>		
Purchase	4,248,759	
Disposal		
Reclassification		169,000,615
<b>As at the 30 June</b>	<b>247,459,962</b>	<b>243,211,203</b>
Amortization and impairment at the beginning of the year	68,620,357	60,922,922
Amortization for the year	62,405,549	7,697,435
Amortization adj for transferred/disposed Assets		
<b>As at end of the year</b>	<b>131,025,906</b>	<b>68,620,357</b>
<b>Net Book Value 30th June</b>	<b>116,434,055</b>	<b>174,590,846</b>

18	<b>Cash &amp; Bank Balances</b>		
	Current account	6,447,980,991	2,482,043,697
	On - call deposits		
	Fixed deposits account	8,971,363	12,902,852
	Staff car loan/ mortgage		
	Others-cash in hand	2,255	
	<b>Total cash and cash equivalents</b>	<b>6,456,954,609</b>	<b>2,494,946,550</b>

18 (a) Detailed analysis of cash and cash equivalents			
		2019-2020	2018-2019
Financial institution	Account number	Kshs	Kshs
<b>a) Current account</b>			
Cooperative Bank-operations	01136084618500	6,201,128,652	1,418,740,770
Cooperative Bank-Escrow	01141084618500	12,679,391	12,670,338
Kenya Commercial bank-WASSIP-AF	1139107380	11,609,087	1,008,317,824
Kenya Commercial bank-AFD-NCT	1156760372	210,274,150	34,953,496
Kenya Commercial bank-KISSIP	1143199359	992,223	959,011
NIC Bank-ADB NARSIP	1000017414	221,864	221,912
SBM Bank-Saving Account	0212056995007	6,513,339	6,176,214
SBM Bank-Current	0212056995003	4,562,285	4,132
<b>Sub- total</b>		<b>6,447,980,991</b>	<b>2,482,043,697.39</b>
<b>b) On - call deposits</b>			
Cooperative Bank		0	-
Cooperative Bank		0	-
<b>Sub- total</b>			
<b>c) Fixed deposits account</b>			
Cooperative Bank			



**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

	Cooperative Bank		1,108,385	1,108,385.34
	SBM Bank		7,862,978	11,794,467.00
	<b>Sub- total</b>		<b>8,971,363</b>	<b>12,902,852.34</b>
	<b>d) Others</b>			
	cash in hand		2,255	-
	<b>Sub- total</b>		<b>2,255</b>	<b>-</b>
	<b>Grand total</b>		<b>6,456,954,609</b>	<b>2,494,946,549.73</b>

19	<b>Receivable from Exchange Transaction</b>		<b>2020</b>	<b>2019</b>
	Receivables-WSPs		373,718,674	375,135,511
	Receivable NCWSC		4,112,329,326	4,112,329,326
	<b>Total</b>		<b>4,486,048,000</b>	<b>4,487,464,837</b>
20	<b>Receivable form Non-Exchange Transaction</b>		<b>2020</b>	<b>2019</b>
	Other Debtors		2,188,072,236	1,534,168,450
	Receivable Chase Bank		7,862,977	7,862,977
	Staff Debtors		3,700,247	3,696,105
	Advance payments		11,208,733,104	7,288,650,265
	Transport operating deposit		200,000	200,000
	Rent Deposit		4,705,228	4,705,228
	<b>Total</b>		<b>13,413,273,791</b>	<b>8,839,283,025</b>
21	<b>Inventory</b>		<b>2020</b>	<b>2019</b>
	Office consumables		1,469,935	4,534,126
	<b>Total</b>		<b>1,469,935</b>	<b>4,534,126</b>
22	<b>Prepayments</b>		<b>2020</b>	<b>2019</b>
	Prepaid maintenance		1,759,868	765,013
	Prepaid rent		12,184,496	
	Prepaid insurance		11,322,078	9,722,995
	Parking fee		-	
<b>Total</b>		<b>25,266,442</b>	<b>10,488,008</b>	
23	<b>Trade &amp; Other payables from Exchange transactions</b>		<b>2020</b>	<b>2019</b>
	Accounts Payable		1,405,244,178	1,176,728,796
	VAT & W/holding Tax		308,791,290	151,110,357
	<b>Total</b>		<b>1,714,035,468</b>	<b>1,327,839,153</b>

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

24	Current provisions	Untaken leave benefits Kshs	Audit and management fees Kshs	Provision for bad debts Kshs	Amount in KDIC Kshs	Total Kshs
	Balance as at 1st July 2018	4,417,270	874,000	236,413,889	7,862,977	249,568,135
	Provision for the year	1,291,901	982,000			2,273,901
	Provision utilized in the year	(1,341,853)	(928,000)	(12,040,647)		(14,310,500)
	Provision as at 30th June 2019	4,367,318	928,000	224,373,242	7,862,977	237,531,537
	Increase/decrease in provisions as at 30/6/2019	(49,951)	54,000	(12,040,647)	-	(12,036,598)
	Balance as at 1st July 2019	4,367,318	928,000	224,373,242	7,862,977	237,531,537
	Provision added for the year	646,918	-			
	Provision utilized in the year	(1,565,554)	(70,842)			
	Provision as at 30th June 2020	3,448,681	928,000	224,302,400	7,862,977	236,542,058
	Increase/decrease in provisions	(918,637)	-	(70,842)	-	(989,478)

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

25	Deferred Income-Short Term IDA	1,704,675	2,004,890
	<b>Total</b>	<b>1,704,675</b>	<b>2,004,890</b>
26	<b>Employee entitlements and payroll creditors</b>	<b>2020</b>	<b>2019</b>
	Employee Entitlements	62,446	60,531
	Payroll creditors	4,024,486	4,850,803
	<b>Total</b>	<b>4,086,933</b>	<b>4,911,334</b>
27	<b>LOANS</b>	<b>2020</b>	<b>2019</b>
	<b>a. Loans-AFD</b>		
	Opening balance	3,097,428,323	3,016,392,928
	Disbursement for the year		
	<b>Subtotal</b>	<b>3,097,428,323</b>	<b>3,016,392,928</b>
	Interest @ 2.9%	89,825,421	87,475,395
	<b>Total Loan</b>	<b>3,187,253,744</b>	<b>3,103,868,323</b>
	Less payment of AFD loan and Accrued Interest	15,527,875	6,440,000
	<b>Loan Balances</b>	<b>3,171,725,869</b>	<b>3,097,428,323</b>
	Interest on Opening Balances @ 2.9%	89,825,421	87,475,395
	<b>b. WASSIP 1 loan amount</b>	<b>5,422,171,162</b>	<b>5,422,171,162</b>
	Interest on Disbursements during the year @ 1.5% on loan balance	81,332,567	
	<b>WASSIP 1 Loan Balances</b>	<b>5,503,503,729</b>	<b>5,422,171,162</b>
	<b>Tota Interest expense</b>	<b>171,157,989</b>	<b>87,475,395</b>
	c. LOAN KfW-NST	492,003,876	176,282,403
	d. LOAN KfW-NCWDN	2,489,096,765	1,944,549,681
	e. Loan-AFD NTC	6,110,371,753	5,503,361,623
	f. Wassip AF Loan	14,523,822,609	14,028,432,792
	g. AfDB Loan - Nairobi Rivers	4,338,713,894	4,338,713,894
	h. Kenya Towns	2,097,495,911	947,070,422
	i. Loan-AFD RUIRU II DAM	3,487,017,945	-
	j. LOAN-KARIMENU II DAM	2,103,888,032	-
	<b>Total</b>	<b>44,317,640,382</b>	<b>35,458,010,300</b>
28	<b>Deferred Income-Long Term</b>		
	IDA	-	1,383,927
	Kajiado rural	2,281,200	3,089,200
	GOK	19,621,236,252	12,399,440,716
	AFD	2,055,900,000	2,121,820,272
	WASSIP	8,281,070	17,781,919
	ACP-EU	84,606,596	89,262,531
	ADB	156,429,791	170,237,730
	KISSIP	174,394,779	181,628,931
	BADEA	573,264,021	436,250,853
	Ithanga Component I	1,005,327,568	1,005,327,568
	Ithanga Component II	753,324,315	753,324,315
	<b>Total</b>	<b>24,435,045,594</b>	<b>17,179,547,961</b>
29	<b>Accumulated Fund</b>		
	Opening Balance	681,830,509	1,127,998,509
	Prior year		
	Surplus for the period	(605,978,830)	(446,168,000)
	<b>Total</b>	<b>75,851,678</b>	<b>681,830,509</b>

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

		2020	2019
<b>30</b>	<b>GoK Cash Receipts Recurrent</b>		
	Bank	400,000,000	437,470,000
	<b>Total</b>	<b>400,000,000</b>	<b>437,470,000</b>
<b>31</b>	<b>Receipts from WSPs</b>		
	Opening balance	4,487,464,837	4,491,863,884.47
	Billing in the year	17,301,118	17,303,339.50
		<b>4,504,765,954</b>	<b>4,509,167,224</b>
	Closing balance	4,486,048,000	4,487,464,837
	<b>Receipts during the year</b>	<b>18,717,954</b>	<b>21,702,387</b>
<b>32</b>	<b>Cash paid for employee compensation</b>		
	Employee costs	240,023,014	226,967,548
	(Increase)/ Decrease in payroll creditors	826,317	746,142
	(Increase)/ Decrease in employee entitlements	(1,916)	(4,171)
	<b>Total</b>	<b>240,847,416</b>	<b>227,709,519</b>
<b>33</b>	<b>Cash paid for administration costs</b>		
	Administration costs	138,901,299	144,084,801
	Increase/(Decrease) in inventory	(3,064,191)	916,472
	Increase/(Decrease) in prepayments	14,778,434	(8,624,313)
	(Increase)/Decrease in creditors	10,561,897	(8,968,379)
	<b>Total</b>	<b>161,177,440</b>	<b>127,408,581</b>
<b>34</b>	<b>Cash paid for directors' remuneration</b>		
	Directors honoraria, allowances and other expenses	26,433,708	32,438,161
	<b>Total</b>	<b>26,433,708</b>	<b>32,438,161</b>
<b>35</b>	<b>Cash paid for operation and project costs</b>		
	Operation expenses	131,600,767	141,648,676
	Project costs	265,759,126	208,723,934
	(Increase)/Decrease in creditors	47,712,653	7,514,029
	Less 'Direct payments for project costs	130,120,390	116,469,900
	<b>Total</b>	<b>314,952,157</b>	<b>241,416,740</b>
<b>36</b>	<b>Cash paid for Purchase of property, plant, equipment and intangible assets</b>		
	Cost of PPE purchased	7,972,516,701	8,484,022,760
	Cost of Intangible assets Purchased	4,248,759	
	WIP adjustment/(disposals)	(5,732,487)	
	(Increase)/Decrease in creditors	(444,470,865)	(282,894,226)
	<b>Total</b>	<b>7,526,562,108</b>	<b>8,201,128,534</b>
<b>37</b>	<b>Increase/(decrease) in non-exchange receivables</b>		
	Land compensation deposit to NLC	(653,903,786)	(854,053,851)
	Advance payments	(3,920,082,838)	(583,123,456)
	SBM, Other deposits-rent and transport	-	(200,000)
	Staff debtors	(4,142)	866,625
	<b>Total</b>	<b>(4,573,990,766)</b>	<b>(1,436,510,682)</b>

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

38	Proceeds from borrowings		
	Closing balance	44,317,640,382	35,458,010,300
	Add loan repayments in the year	15,527,875	6,440,000
	Less interest charge for the year	171,157,989	87,475,395
	Less Opening balance	35,458,010,300	28,652,911,526
	Loan amount received during the year	8,703,999,968	6,724,063,379
39	Repayment of borrowings		
	Bank-AFD loan repayment	15,527,875	6,440,000
	Total	15,527,875	6,440,000

40	Increase/Decrease in deferred income				
	Increase in deferred income	Opening balance (Kshs)	Transfer to Grant income (Kshs)	Closing balance (Kshs)	Increase /(Decrease) in deferred income 2018/2019 (Kshs)
	IDA short-term	2,492,789	487,899	2,004,890	-
	IDA Long-term	5,974,923	4,590,996	1,383,927	-
	Kajiado rural	3,033,300	2,144,100	3,089,200	2,200,000
	GOK	9,977,770,872	170,221,157	12,399,440,716	2,591,891,001
	AFD	2,187,828,422	66,008,150	2,121,820,272	-
	WASSIP	17,781,919	42,066,206	17,781,919	42,066,206
	ACP-EU	94,009,954	4,747,423	89,262,531	0
	ADB	177,333,637	7,095,907	170,237,730	-
	KISSIP	188,996,088	7,367,157	181,628,931	-
	BADEA	222,942,855	-	436,250,853	213,307,998
	Ithanga Component I	-	-	1,005,327,568	1,005,327,568
	Ithanga Component II	284,755,499	-	753,324,315	468,568,817
	Total	13,162,920,256	304,728,996	17,181,552,851	4,323,361,591
	Increase in deferred income	Opening balance	Transfer to Grant income	closing balance	Increase /(Decrease) in deferred income 2019/2020
	IDA short-term	2,004,890	300,214	1,704,675	-
	IDA Long-term	1,383,927	1,383,927	-	0
	Kajiado rural	3,089,200	808,000	2,281,200	-
	GOK	12,399,440,716	178,652,319	19,625,413,457	7,404,625,060
	AFD	2,121,820,272	65,920,272	2,055,900,000	-
	WASSIP	17,781,919	50,321,586	8,281,070	40,820,737
	ACP-EU	89,262,531	4,655,935	84,606,596	-
	ADB	170,237,730	13,807,939	156,429,791	-
	KISSIP	181,628,931	7,234,152	174,394,779	-
	BADEA	436,250,853	-	573,264,021	137,013,169
	Ithanga Component I	1,005,327,568	-	1,005,327,568	-
	Ithanga Component II	753,324,315	-	753,324,315	-
	Total	17,181,552,851	323,084,344	24,440,927,473	7,582,458,967

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**41 FINANCIAL RISK MANAGEMENT**

AWWDA'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 entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**i. Credit risk**

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2020</b>				
Receivables from exchange transactions	4,486,048,000		4,486,048,000	224,302,400
Receivables from non-exchange transactions	13,413,273,791	13,413,273,791		
Bank balances	6,456,954,609	6,456,954,609		7,862,977
<b>Total</b>	<b>24,356,276,401</b>	<b>19,870,228,401</b>	<b>4,486,048,000</b>	<b>232,165,377</b>
<b>At 30 June 2019</b>				
Receivables from exchange transactions	4,487,464,837	-	4,487,464,837	224,373,242
Receivables from non-exchange transactions	8,839,283,025	8,839,283,025	-	-
Bank balances	2,494,946,550	2,500,775,555	-	7,862,977
<b>Total</b>	<b>15,821,694,412</b>	<b>11,340,058,580</b>	<b>4,487,464,837</b>	<b>232,236,219</b>

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

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

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**ii. Liquidity risk management**

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade payables	422,946,388		825,692,873	1,248,639,260
Provisions			236,542,058	236,542,058
Deferred income			1,704,675	1,704,675
Employee benefit obligation	4,026,402		60,531	4,086,933
<b>Total</b>	<b>426,972,789</b>	<b>-</b>	<b>1,064,000,137</b>	<b>1,490,972,927</b>
At 30 June 2019				
Trade payables	151,110,357	-	1,176,728,796	1,327,839,153
Provisions	5,295,318	-	232,236,219	237,531,537
Deferred income	-	-	2,492,798	2,492,798
Employee benefit obligation	4,850,803	-	60,531	4,911,334
<b>Total</b>	<b>161,256,478</b>	<b>-</b>	<b>1,411,518,343</b>	<b>1,572,774,821</b>

**iii. Market Risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate 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.

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

**a) Foreign Currency Risk**

The entity has transactional currency exposures. Such exposure arises through contract prices which are denominated in foreign currency yet AWWDA's income is wholly in local currency. Since most of such contracts are development partner funded, AWWDA has mitigated the risk by enforcing direct payments as the preferred method of disbursement hence minimizing the exposure.

**b) Interest rate risk**

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

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**Management of interest rate risk**

To manage the interest rate risk, management always negotiates for favourable interest rates whenever placing any deposits on call or fixed deposits. Majority of the Agency's current accounts do not attract interest. Additionally, AWWDA did not have any loans with commercial banks during the year under review.

**c) Capital Risk Management**

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

	2019-2020	2018-2019
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	75,851,678	681,830,509
Total assets	70,784,906,788	54,891,675,684
Total funds	70,860,758,466	55,573,506,192
Total borrowings	44,317,640,382	35,965,708,654
Less: cash and bank balances	(6,456,954,609)	(2,494,946,550)
Net debt/(excess cash and cash equivalents)	37,860,685,772	33,470,762,105
Gearing	53%	60%

**42 RELATED PARTY BALANCES**

**a) Nature of related party relationships**

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

**Government of Kenya**

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Ministry of Water and Sanitation;
- iv) Water Services Regulatory Authority
- v) Water Service Providers;
- vi) County Governments of Nairobi, Kiambu and Murang'a
- vii) Key management;
- viii) Board of directors;



**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

	2019-2020	2018-2019
	Kshs	Kshs
<b>Transactions with related parties</b>		
a) <b>Sales to related parties</b>		
N/A		
<b>Total</b>		-
b) <b>Grants from the Government</b>		
Grants from National Govt	7,738,015,957	2,979,361,000
Grants from County Government	-	50,000,000
Donations in kind		-
<b>Total</b>	<b>7,738,015,957</b>	<b>3,029,361,000</b>
c) <b>Expenses incurred on behalf of related party</b>		
N/A		-
<b>Total</b>		-
d) <b>Key management compensation</b>		
Directors' emoluments	26,433,708	32,438,161
Compensation to the CEO	7,798,200	5,995,290
Compensation to key management	13,712,400	14,478,963
<b>Total</b>	<b>47,944,308</b>	<b>52,912,414</b>

**19 SEGMENT INFORMATION**

AWWDA does not have any branches or reporting segments and all its operations are managed from the registered office.

**20 CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

*AWWDA did not have any contingent asset or liability by the end of the FY2019/20*

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

**21 CAPITAL COMMITMENTS**

	Capital commitments	2019/2020 Kshs	2018/2019 Kshs
1	Nairobi Water Distribution Network	3,955,000,000	3,955,000,000
2	Nairobi Satellite Towns Water and Sanitation Program	2,886,677,274	2,886,677,274
3	Extension of Nairobi Water Supply (Northern Collector)	6,217,799,471	6,217,799,471
4	Ithanga Water supply	2,530,000,000	2,530,000,000
5	Water & Sanitation Services & Improvement Project (Athi WSB)	5,907,685,463	5,907,685,463
6	Rehabilitation Of Water Supply And Sewerage For Oloitokitok Town	784,000,000	784,000,000
8	Kiserian Sewerage Project		501,000,000
9	Kenya Towns Sustainable water supply and Sanitation Program	9,370,350,525	9,370,350,525
10	Nairobi Metro Area Bulk Water Sources-Ruiru II Dam	25,000,000,000	
11	Nairobi Rivers Basin Rehabilitation and Restoration Programme: Sewerage Improvement Project		170,000,000
12	Nairobi Metro Area Bulk water Sources-Karimenu II	17,350,000,000	17,350,000,000
13	Nairobi City Regeneration Programme	895,000,000	895,000,000
14	Nairobi Sewerage Intervention	250,000,000	250,000,000
15	Ground water exploitation	126,000,000	126,000,000
16	Kajiado Rural Water Supply	9,990,001,000	9,990,001,000
15	Water for Schools	83,000,000	
16	National Water Harvesting and Ground water Exploitation program (Gatango, Kiawajumbe and Ngecha)	40,000,000	
17	Cross county Bulk Water and Sanitation improvement program	717,000,000	
18	Northern Collector Water Supply	2,114,981,918	
19	Relocation of Water Lines and Sewer Lines - Nairobi Express way	2,000,000,000	
20	Drilling of Boreholes and Installation of Tanks in Nairobi	200,000,000	
	<b>TOTAL</b>	<b>90,417,495,651</b>	<b>60,933,513,733</b>

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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**22 DIVIDENDS/SURPLUS REMISSION**

AWWDA did not make any surplus during the year (FY 2019/2020) and hence no remittance to the Consolidated Fund.

**23 TAXATION**

AWWDA is a government parastatal and as such is not expected to pay taxes

**24 DEFERRED TAX LIABILITY**

AWWDA did not have any deferred tax liability in 2019/2020FY as AWWDA is a state corporation under IPSAS and as such is not expected to pay taxes

**25 EVENTS AFTER THE REPORTING PERIOD**

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

**26 ULTIMATE AND HOLDING ENTITY**

AWWDA is a Semi- Autonomous Government Agency under the Ministry of Water, Sanitation and Irrigation. Its ultimate parent is the Government of Kenya.

**27 Currency**

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

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																		
1	<p><b>Cash and Bank Balances</b></p> <p>The cash and bank balances reflects Kshs.1, 217,997,568 as at 30 June 2018, as disclosed in note 18. Included in this is a current account number 01136084618500 maintained by the Board in Co-operative Bank of Kenya, which is mainly used for its recurrent activities. It was however observed that the Board does not maintain a separate bank account for its development activities, instead, government funds received by the Board for various capital projects, together with related transactions on the projects during the year under review, were transacted through the above recurrent account, as detailed in the table below:</p> <table border="1"> <thead> <tr> <th>Capital Project</th> <th>Transfers from the Ministry(Kshs)</th> </tr> </thead> <tbody> <tr> <td>Nairobi Water Distribution Network</td> <td>75,000,000</td> </tr> <tr> <td>Nairobi Satellite Towns Water &amp; Sanitation</td> <td>130,000,000</td> </tr> <tr> <td>Northern Collector(extension of Nairobi water supply)</td> <td>250,000,000</td> </tr> <tr> <td>Ithanga Water Supply</td> <td>17,000,000</td> </tr> <tr> <td>Water &amp; Sanitation Services Improvement Project</td> <td>186,000,000</td> </tr> <tr> <td>Rehab Water Supply &amp; Sewerage-Oloitoktok</td> <td>33,000,000</td> </tr> <tr> <td>Kajiado Rural Water Supply</td> <td>22,000,000</td> </tr> <tr> <td>Kiserian Sewerage</td> <td>116,000,000</td> </tr> </tbody> </table>	Capital Project	Transfers from the Ministry(Kshs)	Nairobi Water Distribution Network	75,000,000	Nairobi Satellite Towns Water & Sanitation	130,000,000	Northern Collector(extension of Nairobi water supply)	250,000,000	Ithanga Water Supply	17,000,000	Water & Sanitation Services Improvement Project	186,000,000	Rehab Water Supply & Sewerage-Oloitoktok	33,000,000	Kajiado Rural Water Supply	22,000,000	Kiserian Sewerage	116,000,000	<p>We concur with the observation that the funds are managed from the operations account. However, the Management maintains a fund account for each of the projects.</p> <p>To mitigate the risk, Management has sought approval from the National Treasury through the Ministry of Water and Sanitation to open a development account for the counterpart funds received from the Ministry of Water and Sanitation.</p> <p>AWWIDA got the approval to open a separate bank account to manage all project related government transfers.</p>	The Chief Manager-Finance and Strategy	Resolved	30 <sup>th</sup> June 2020
Capital Project	Transfers from the Ministry(Kshs)																						
Nairobi Water Distribution Network	75,000,000																						
Nairobi Satellite Towns Water & Sanitation	130,000,000																						
Northern Collector(extension of Nairobi water supply)	250,000,000																						
Ithanga Water Supply	17,000,000																						
Water & Sanitation Services Improvement Project	186,000,000																						
Rehab Water Supply & Sewerage-Oloitoktok	33,000,000																						
Kajiado Rural Water Supply	22,000,000																						
Kiserian Sewerage	116,000,000																						

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)										
	<table border="1"> <tr> <td>Kenya Towns Sustainable water supply and sanitation</td> <td>12,000,000</td> </tr> <tr> <td>Nairobi metro area bulk water sources Ruiru II dam</td> <td>8,000,000</td> </tr> <tr> <td>Nairobi city and sewerage support services interventions</td> <td>106,000,000</td> </tr> <tr> <td>Karimenu II dam</td> <td>803,000,000</td> </tr> <tr> <td>Nairobi metropolitan services improvement</td> <td>250,000,000</td> </tr> </table> <p>No separate cashbooks were therefore maintained for the recurrent activities and the various capital project fund. Similarly, there were no separate bank reconciliation statements, to facilitate performance of the necessary bank reconciliation audit procedures. Under the circumstances, it was not possible to confirm the balance as per bank records and balance as per cashbook, for the various capital project funds, which are included in the cash and bank balance.</p>	Kenya Towns Sustainable water supply and sanitation	12,000,000	Nairobi metro area bulk water sources Ruiru II dam	8,000,000	Nairobi city and sewerage support services interventions	106,000,000	Karimenu II dam	803,000,000	Nairobi metropolitan services improvement	250,000,000				
Kenya Towns Sustainable water supply and sanitation	12,000,000														
Nairobi metro area bulk water sources Ruiru II dam	8,000,000														
Nairobi city and sewerage support services interventions	106,000,000														
Karimenu II dam	803,000,000														
Nairobi metropolitan services improvement	250,000,000														
2	<p><b>Property, Plant and Equipment</b></p> <p><b>2.1 Fully Depreciated Assets.</b></p> <p>The property, plant and equipment reflects Kshs.31, 093,890,875, as disclosed in note 16. Included in these assets are fully depreciated assets whose original cost is Kshs. 213,150,059. These assets are still in good working conditions and were being utilized by the Board, during the year and review. It was observed that management has not revalued the above assets and recognized them in the books at the revaluation amounts, contrary to the requirements of IPSAS 17 paragraph44. Further, management did not review the useful economic life of the above</p>	<p>We concur with the observation by the Office of the Auditor General.</p> <p>AWWDA policy requires the revaluation to be undertaken every 5 years for Equipment. In line with the policy revaluation is scheduled to be undertaken in the Financial year 2019-20.</p> <p>AWWDA has since engaged a consultant to undertake asset revaluation. The assignment will be complete by 30th July 2021</p>	The Chief Manager-Finance and Strategy	Partly resolved	30 <sup>th</sup> June 2021										

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>assets before they were fully depreciated.</p> <p><b>2.2 Inherited Assets</b> As previously reported, the Board inherited non-current assets of undetermined value previously held by the Ministry of Water and Irrigation and National Water Conservation and Pipeline Corporation in respect of water infrastructure, which have not been incorporated in the financial statements.</p> <p>In view of the foregoing, it has not been possible to confirm the accuracy, valuation and completeness of the property, plant and equipment balance of Kshs.31, 093,890,875 as at 30 June 2018.</p>	<p>This matter was linked to the lack of implementation of the transfer plan under the Water Act 2002, which has since been resolved by the Water Act, 2016, Section 152 Transition Provisions, that provides that all property, assets, rights, liabilities, obligations, agreements and other arrangements existing concerning the operation of water services boards at the commencement of the Act and vested in, acquired, incurred or entered into by or on behalf of the water services boards established by the Water Act, 2002 shall, upon commencement of the Act, be deemed to have vested in or to have been acquired, incurred or entered into by or on behalf of the water works development agencies to the same extent as they were enforceable by or against the water services boards before the commencement of the Act. This Act came into effect on 3rd May, 2019 and the Ministry of Water &amp; Sanitation and Irrigation developed on the policy guidelines on the same. The MWSI is currently undertaking asset validation upon whose completion the asset transfer can be finalised</p>	The Chief Executive Officer	Partly Resolved	31 <sup>st</sup> December 2021
3.	The statement of financial position as at 30 June 2019 reflects loans totaling Kshs.35,458,010,300, as further disclosed in Note 27 to the financial statements. Included in the loan balance is a French government agency (AFD) loan with a book balance of	We confirm that the interest payable in the for the highlighted loan was Kshs 87,475,395 out of which only Kshs 6,440,000 was paid in the year. We however disagree with the auditor's	The Chief Executive Officer	Resolved	30 <sup>th</sup> June 2021

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.3,097,428,323 (original amount: Kshs.3,850,000,000). The amount was on-lent to the Agency by the National Treasury in two disbursements of Kshs.1,870,000,000 and Kshs.1,980,000,000 in 2006 and 2009 respectively. It was repayable in 15 years from the contract date at interest rate of 2.9 %, among other terms. According to the provisions of the subsidiary agreement between the Agency and the National Treasury, the former was to make semi-annual payments to the latter of both the principal and interest on the loan, as the amounts fell due. However, during the year under review, the Agency only made a payment of Kshs.6,440,000 out of the repayments due that included arrears of Kshs.87,475,395 in relation to the 2018/2019 financial year. Further, the outstanding amount has not been included in the trade and other payables balance totaling Kshs.1,327,839,153 reflected in the statement of financial position as at 30 June 2019. Therefore, the Agency has not met its obligation on the loan and further, has not recognized these in its books.</p>	<p>observation that the said amount does not form part of trade payables because it is included in the loan balance of Kshs 35,458,010,300 the details of which are captured under note 27 of the financial statements. The reported loan amounts include the principal loan amounts, plus any accrued interest less the repayments done in the year.</p>			
Other Matter	<p>The statement of financial position as at 30 June 2019 reflects exchange transactions amounting to Kshs.4, 487,464,837, as further disclosed in Note 19 to the financial statements. Included in the balance is a sum of Kshs.4,112,329,326 owed to the Agency by Nairobi County Water and Sewerage Company, which has, however, been outstanding for several years. Also included in the balance is a sum of Kshs.375,135,511 owed to various water service providers. However, the debts have been outstanding for various periods longer than 90 days and are therefore overdue for payment.</p>	<p>AWWDA confirms that a total of Kshs. 4,487,469,233.50 remained outstanding from the WSPs for more than 90 days. We confirm that the management has made several efforts in a bid to collect the debt including:</p> <ul style="list-style-type: none"> <li>• Holding a workshop in Naivasha with the Kiambu county WSPs together with the county leadership</li> </ul>	The Chief Executive Officer	Partly resolved	30 <sup>th</sup> June 2021

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																																				
	<p>Outstanding Receivables from Water Companies</p> <table border="1" data-bbox="890 586 1361 936"> <thead> <tr> <th>Debtor Code</th> <th>Name</th> <th>Balance Kshs.</th> </tr> </thead> <tbody> <tr> <td>K002</td> <td>Karuri Water and Sanitation Company</td> <td>21,533,276.30</td> </tr> <tr> <td>WSP053</td> <td>Thika Water and Sewerage Company Ltd</td> <td>174,754,006.45</td> </tr> <tr> <td>WSP151</td> <td>Ruiru Juja and Sewerage Company</td> <td>1,054,403.44</td> </tr> <tr> <td>WSP152</td> <td>Gatundu South Water and Sanitation Co Ltd</td> <td>30,267,129.58</td> </tr> <tr> <td>WSP161</td> <td>Karimenu Water and Sanitation Co Ltd</td> <td>609,192.25</td> </tr> <tr> <td>WSP162</td> <td>Gatanga Community Water Scheme</td> <td>12,805,944.34</td> </tr> <tr> <td>WSP 180</td> <td>Kiambu Water and Sewerage Co</td> <td>33,850,491.76</td> </tr> <tr> <td>WSP 181</td> <td>Kikuyu Water Company Ltd</td> <td>49,573,612.58</td> </tr> <tr> <td>WSP 182</td> <td>Limuru Water and Sewerage Company Ltd</td> <td>24,420,601.09</td> </tr> <tr> <td>WSP 183</td> <td>Githunguri Water and Sanitation Co Ltd</td> <td>26,271,249.71</td> </tr> <tr> <td>TOTAL</td> <td></td> <td>375,139,907.50</td> </tr> </tbody> </table>	Debtor Code	Name	Balance Kshs.	K002	Karuri Water and Sanitation Company	21,533,276.30	WSP053	Thika Water and Sewerage Company Ltd	174,754,006.45	WSP151	Ruiru Juja and Sewerage Company	1,054,403.44	WSP152	Gatundu South Water and Sanitation Co Ltd	30,267,129.58	WSP161	Karimenu Water and Sanitation Co Ltd	609,192.25	WSP162	Gatanga Community Water Scheme	12,805,944.34	WSP 180	Kiambu Water and Sewerage Co	33,850,491.76	WSP 181	Kikuyu Water Company Ltd	49,573,612.58	WSP 182	Limuru Water and Sewerage Company Ltd	24,420,601.09	WSP 183	Githunguri Water and Sanitation Co Ltd	26,271,249.71	TOTAL		375,139,907.50	<p>Initiating the process to engage a professional debt collector through a board approval after which the Attorney General advised that AWWDA should explore for alternative debt collection efforts in the spirit of intergovernmental relations Act; including mediation process incorporating the National Treasury and Planning, the Ministry of Water &amp; Sanitation and Irrigation, AWWDA and any other relevant agency. AWWDA was advised that engagement of a debt collector should be option as a last resort.</p> <p>We confirm our commitment to collect the outstanding amounts from the WSPs because most of it relates to loan repayment and the WSPs on their part continue to recognize such amounts as owing.</p> <p><b>High court deposit</b> Regarding the Kshs.7,092,497 deposited with the high court of Kenya. In the judgement of 10th December 2019, the court determined the amount payable under this case to be Kshs 44,720.</p> <p>AWWDA filed an application to have the money deposit account discharged and the money to be withdrawn in favour of AWWDA. The application</p>			
Debtor Code	Name	Balance Kshs.																																							
K002	Karuri Water and Sanitation Company	21,533,276.30																																							
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TOTAL		375,139,907.50																																							
	<p>Further, the statement of financial position as at 30 June 2019 reflects receivables from non-exchange transactions amounting to Kshs.8,839,283,025, as further disclosed in Note 20 to the financial statements. Included in this balance is a sum of Kshs.7,092,497 due from the High Court of Kenya, which arose in 2014/2015.</p>																																								



**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>In view of the long delays in recovering these amounts, it is not possible to confirm their recoverability and the validity of the receivables from exchange and non-exchange transactions balance totaling Kshs.4,494,561,730 reflected in the statement of financial position as at 30 June 2019.</p>	<p>went unopposed and it was due for hearing on 30th March 2020 at a time when the court processes were adjourned due to COVID-19 threat. The hearing happened 10th March 2021 as scheduled and the ruling is coming up on 28th April 2021.</p> <p>A favourable outcome will mean that the deposit together all the accrued interest net of the amount already paid (Kshs 44,720) will revert to AWWDA. We confirm that the collection of the said amount is not in doubt.</p>			
2	<p><b>Non-Compliance with Legal Notice No. 101 of August 2006 - Transfer Plan</b></p> <p>According to the transfer plan under the Water Act 2002, which was operationalized vide legal Notice No. 101 of August 2005, Water Service Board ought to have taken over the assets, staff and other water infrastructure inherited from the Ministry of Water and Irrigation, the National Water Conservation and Pipeline Corporation. Although, Athi Water Service Board, the Ministry of Water and Irrigation and the National Water Conservation and Pipeline Corporation had finalized the revaluation of the assets, Athi Water Service Board had not taken over the Assets as at 30 June 2018. The Board is therefore in contravention of legal Notice No. 101 of August 2005 and the Water Act 2002.</p>	<p>This has been resolved by the Water Act, 2016, Section 152 Transition Provisions, that provides that all property, assets, rights, liabilities, obligations, agreements and other arrangements existing concerning the operation of water services boards at the commencement of the Act and vested in, acquired, incurred or entered into by or on behalf of the water services boards established by the Water Act, 2002 shall, upon commencement of the Act, be deemed to have vested in or to have been acquired, incurred or entered into by or on behalf of the water works development agencies to the same extent as they were enforceable by or against the water services boards before the commencement of the Act. This Act came into effect on 3rd May, 2019.</p>	The Chief Executive Officer	Resolved	30 <sup>th</sup> June 2020

Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020



ENG. MICHAEL M. THUITA  
CHIEF EXECUTIVE OFFICER  
DATE: 16/03/2021



HON. ENG. JOHN KIRAGU CHEGE  
CHAIRMAN  
DATE: 16/03/2021

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**APPENDIX II: PROJECTS IMPLEMENTED BY AWWDA**

**Projects**

Projects implemented by the State Corporation/ SAGA Funded by development partners

<b>S/No</b>	<b>Project title</b>	<b>Project Number</b>	<b>Donor</b>	<b>Period/ duration</b>	<b>Donor commitment (Kshs Millions)</b>	<b>Separate donor reporting required as per the donor agreement (Yes/No)</b>	<b>Consolidated in these financial statements (Yes/No)</b>
1.	Water & Sanitation Services & Improvement Project	1107101600	World Bank	Dec 2012- Dec 2021	14,880	Yes	Yes
2.	Extension of Nairobi Water Supply (Northern Collector)	1107101300	World Bank & AFD	Apr 2014-Dec 2021	10,050	Yes	Yes
3.	Nairobi Water Distribution Network Phase I	1107101000	KfW	Jul 2014-Dec 2021	2,700	Yes	Yes
4.	Nairobi Satellite Towns Water and Sanitation Program	1107101100	KfW	Jul 2014-Dec 2020	2,600	Yes	Yes
5.	Rehabilitation of Water Supply and Sewerage For Oloitokitok Town	1107102400	BADEA	Dec 2013-Jun 2020	825	No	Yes
6.	Kajiado Rural Water Supply	1107102800	BELGIUM	Apr 2016-Dec 2019	898	No	Yes
7.	Thika and Githunguri Water and Sanitation Project	1107108100	DANIDA	Jul 2017-Dec 2020	50	No	Yes
8.	Kenya Town Sustainable water Supply and Sanitation Programme - Athi	1107111400	AfDB	Mar 2017-Dec 2022	9,000	Yes	Yes
9.	Nairobi Metro Area Bulk water sources - Karimenu II	1107111701	EXIM BANK	Jan 2018-Dec 2022	24,000	No	Yes
10.	Nairobi Metro Area Bulk water sources - Ruiru II Dam	1107107100	DEUTCHE BANK	Jul 2017-Jan 2022	22,000	No	Yes
11.	Ithanga Water supply	1107109900	BELGIUM	Sept 2017- Sept 2020	2,300	No	Yes
	<b>Total</b>				<b>93,542</b>		

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

**Status of Projects completion**

	<b>Project</b>	<b>Total project Cost Kshs Millions</b>	<b>Total expended to date Kshs Millions</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>
1	Water & Sanitation Services & Improvement Project	16,000	10,715	92%	740.00	2,568.09	IDA/ World Bank
2	Extension of Nairobi Water Supply (Northern Collector)	11,060	4,730	65%	2,631.00	899.82	AFD
3	Nairobi Water Distribution Network Phase I	3,300	1,618	87%	680.00	544.55	KfW
4	Nairobi City Regeneration Programme	2,895	1,001	60%	895	502.21	GoK
5	Nairobi Sewerage Intervention	250	168	50%	250	168	GoK
6	Ground water exploitation	126	68	50%	126	68	GoK
7	Nairobi Rivers Basin Restoration Programme: Sewerage improvement	4,710	4,540	100%	170.00	170.00	AfDB (the pending Bills by GOK was fully paid)
8	Nairobi Satellite Towns Water and Sanitation Program	3,080	727	10%	500	450.77	KfW
10	Rehabilitation of Water Supply and Sewerage For Oloitokitok Town	1,123	657	70%	238	137.01	BADEA
11	Kajiado Rural Water Supply	999	894	73%	232	230	Belgium
12	Thika and Githunguri Water and Sanitation Project	100	77	5%	33	0.00	Danida
13	Kenya Town Sustainable water Supply and Sanitation Programme - Athi	9,400	512	18%	1,650.00	832.97	AfDB
14	Nairobi Metro Area Bulk water sources - Karimenu II	28,000	5,910	10%	1,900	891	Exim Bank-EPC-F
15	Nairobi Metro Area Bulk water sources - Ruiru II Dam	25,000	530	5%	3,650.00	1,957.62	Deutsche Bank - EPC-F
16	Ithanga Water supply	2,530	1,121	65%	438	281.70	Belgium

**Athi Water Works Development Agency**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

	<b>Project</b>	<b>Total project Cost Kshs Millions</b>	<b>Total expended to date Kshs Millions</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>
15	Water for Schools	83			83.00		
16	National Water Harvesting and Ground water Exploitation program (Gatango, Kiawajumbe and Ngecha)	40			40.00		GoK
17	Cross county Bulk Water and Sanitation improvement program	717			717.00		GoK
18	Northern Collector Water Supply	2,115			2,114.98		GoK
19	Relocation of Water Lines and Sewer Lines - Nairobi Express way	2,000			2,000.00		GoK
20	Drilling of Boreholes and Installation of Tanks in Nairobi	200			200.00		GoK
		<b>113,728</b>	<b>33,268</b>		<b>19,287.98</b>		

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**APPENDIX III: INTER-ENTITY TRANSFERS**

ENTITY NAME:		ATHI WATER WORKS DEVELOPMENT AGENCY		
Break down of Transfers from the State Department of Water and Sanitation				
FY 2019/2020				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Recurrent Funds	14-Aug-19	33,333,333.00	2019/2020
	Recurrent Funds	05-Sep-19	33,333,333.00	2019/2020
	Recurrent Funds	04-Oct-19	33,333,333.00	2019/2020
	Recurrent Funds	05-Nov-19	33,333,333.00	2019/2020
	Recurrent Funds	10-Dec-19	33,333,333.00	2019/2020
	Recurrent Funds	24-Dec-19	33,333,333.00	2019/2020
	Recurrent Funds	10-Feb-20	33,333,333.00	2019/2020
	Recurrent Funds	04-Mar-20	33,333,333.00	2019/2020
	Recurrent Funds	02-Apr-20	33,333,334.00	2019/2020
	Recurrent Funds	28-May-20	33,333,333.00	2019/2020
	Recurrent Funds	03-Jun-20	33,333,333.00	2019/2020
	Recurrent Funds	29-Jun-20	33,333,334.00	2019/2020
		<b>Total</b>	<b>399,999,998.00</b>	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	National Water Conservation & Pipeline Corporation	18-Jul-19	10,000,000.00	2019/2020
	Development Funds - 1st Quarter	04-Nov-19	950,575,000.00	2019/2020
	Development Funds - 2nd Quarter	04-Nov-19	950,575,000.00	2019/2020
	Water for Schools Programme	18-Dec-19	8,300,000.00	2019/2020
	Ground Water Exploitation	18-Dec-19	20,000,000.00	2019/2020
	Water for Cross County Program	18-Dec-19	358,500,000.00	2019/2020
	Development Funds - Drilling of B/holes Informal Settlements	15-May-20	620,000,000.00	2019/2020
	Emergency Repair Works Sasumua, Kabete Water Transmission Line	08-Jun-20	300,000,000.00	2019/2020
	Development Funds - 3rd Quarter	12-Jun-20	3,018,065,959.00	2019/2020
	Water Harvesting & Groundwater Exploitation - Programme Kandara	18-Jun-20	8,000,000.00	2019/2020
	Water Harvesting & Groundwater Exploitation Programme - Kiharu	18-Jun-20	8,000,000.00	2019/2020
	Small Dams, Pans & Boreholes Programme	18-Jun-20	16,000,000.00	2019/2020
	Water for Schools Programme	08-Jul-20	16,000,000.00	2019/2020
	National Water Harvesting & Ground Water	08-Jul-20	20,000,000.00	2019/2020

**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

ENTITY NAME:		ATHI WATER WORKS DEVELOPMENT AGENCY		
Break down of Transfers from the State Department of Water and Sanitation				
FY 2019/2020				
Water for Schools Programme		08-Jul-20	34,000,000.00	2019/2020
Development Funds - 4th Quarter NCT		08-Jul-20	1,000,000,000.00	2019/2020
		<b>Total</b>	<b>7,338,015,959.00</b>	
<b>c. Direct Payments</b>				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
AFD-NCT		N/A	636,705,206.60	2019/2020
Nairobi Distribution -KfW		N/A	544,547,084.02	2019/2020
Satellite Town -KfW		N/A	388,717,182.82	2019/2020
Kenya Towns Programme (KTSWSSP)		N/A	812,862,804.51	2019/2020
Oloitokitok		N/A	137,013,168.60	2019/2020
Ithanga		N/A	281,696,721.00	2019/2020
Karimenu II Dam		N/A	891,199,911.41	2019/2020
Ruiru II Dam		N/A	1,529,397,504.50	2019/2020
		<b>Total</b>	<b>5,222,139,583.45</b>	
<b>d. Donor Receipts</b>				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
IDA Funds		17-Oct-19	362,500,000.00	2019/2020
Wassip AF Funds		17-Apr-20	57,104,137.45	2019/2020
Wassip AF Funds		17-Apr-20	62,916,000.00	2019/2020
Wassip AF Funds		24-Apr-20	53,690,416.45	2019/2020
AFD NCT Funds		10-Jun-20	86,122,950.00	2019/2020
AFD NCT Funds		29-Jun-20	155,177,230.00	2019/2020
AFD Ruiru II Dam Funds		29-Jun-20	1,957,620,440.00	2019/2020
		<b>Total</b>	<b>2,735,131,173.90</b>	
			<b>15,695,286,714.35</b>	

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

Chief Manager, Finance and Strategy  
Athi Water Works Development Agency

Sign



Head of Accounting Unit  
Ministry of Water, Sanitation and Irrigation

Sign



**Athi Water Works Development Agency  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Develop ment/Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	
N/A			xxx	xxx	xxx	xxx	xxx	xxx
Total			xxx	xxx	xxx	xxx	xxx	xxx