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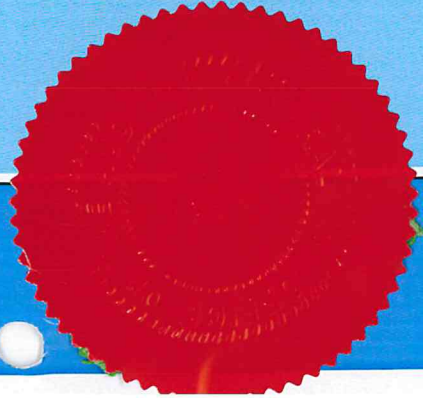
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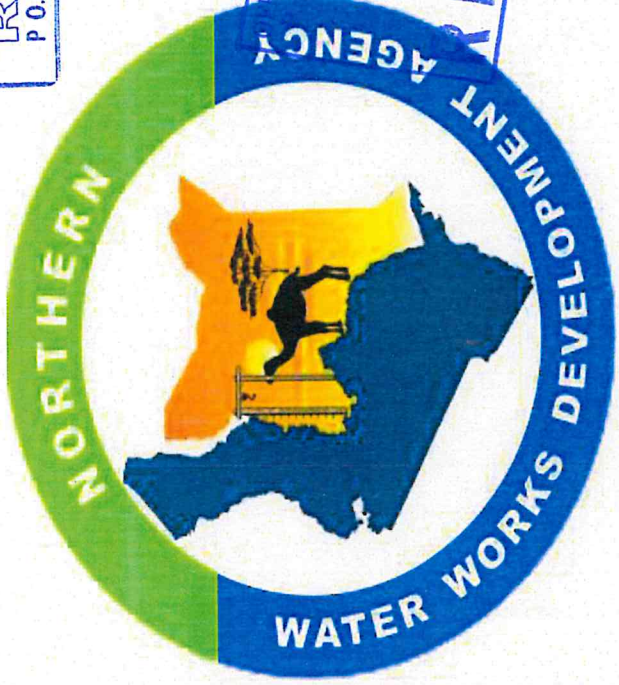
**NORTHERN WATER WORKS DEVELOPMENT
AGENCY (FORMERLY NORTHERN WATER
SERVICES BOARD)**

**FOR THE YEAR ENDED
30 JUNE, 2019**





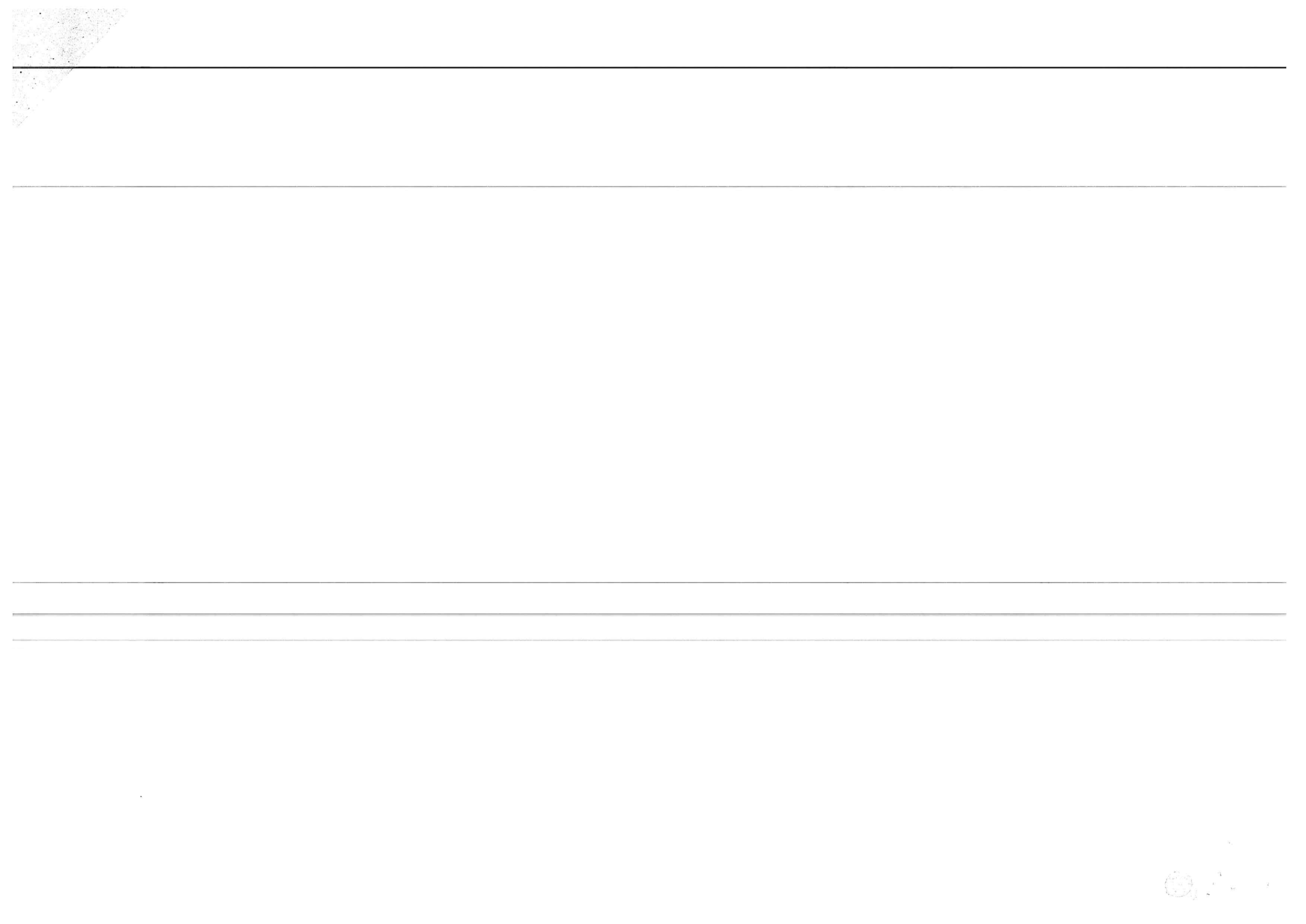
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NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

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**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Northern Water Works Development Agency was earlier established as Northern Water Services Boards through a Kenya Gazette Notice No. 1716 dated 12th March 2004 as a State Corporation under the State Corporations Act and the Water Act 2002. The water Act 2016 was enacted and the Northern Water Services Board, was gazetted as Northern Water Works Development Agency vide special issue of Kenya Gazette No. 28 dated 26th April 2019.

Northern Water Works Development Agency (NWWDA) covers an area of **244,860 Km²** (about **43% of Kenya**) with a population of **3.4 million** people and approximately 70% of livestock population in Kenya. It covers almost all the Arid and Semi arid districts in Northern Kenya. The Agency area presently comprises of 7no. Counties namely:-Garissa, wajir, Mandera, Isiolo, Laikipia, Samburu and Marsabit.

The mandate of the Agency is the efficient and economical provision of water and sanitation services within its area of Jurisdiction. The Agency fully appreciates its responsibilities in meeting its strategic objectives and mandate. In order to meet these objectives, the Agency is striving to ensure it embraces good corporate governance and service delivery so as to have a positive impact in the region.

I. Water Services

The water sources are mainly ground water. There are few water supplies having their sources in rivers namely Garissa, Isiolo, Nanyuki, Nyahuru, Masalani and Marmanet water supply. Surface water collected in pans is also an appreciable source of water. It is used raw and sometimes with filtration from wells beside them. Sewerage Services are only available in Nanyuki, Nyahuru, and Isiolo and partially in Garissa. Other towns have on-site sanitation system.

The cost of maintaining water services is quite high. This is because majority of the water supplies are boreholes and almost all involve pumping.

II. Offices

Northern Water Works Development Agency has its Head office in Garissa town. It is based at the Maji House Building.

(b) Principal Activities

The principal activities of the Agency are the provision of water and sanitation services in its area of jurisdiction as per the Water Act 2016.

(c) Key Management

The Board's day-to-day management is under the Chief Executive Officer with the assistance of other departmental heads





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
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(d) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2019 and who had direct fiduciary responsibility were:

S/No.	Designation	Name
1.	Chief executive Officer	Abdikadir Noor osman, HSC
2.	Technical Services Manager	Eng. Dionisius Njiru shem Nderi
3.	Ag. Finance & Administration Manager	CPA. Andrew Rage Eysimkele

(e) Fiduciary Oversight Arrangements

Board Committees

The Board of Directors managed to meet twice during the year under review. In order to enhance good corporate governance three board committees were put in place as follows:

1. Finance and Human Resources Committee, chaired by Mr. Suleiman Ali Gufu
2. Technical Committee, chaired by Mr. Molu Huqa Arbale
3. Audit and Risk Committee, chaired by Khadija Abdullahi

The above committees meetings are guided by the Board Almanac and they meet on quarterly basis and deliberate on issues as defined in their Terms of Reference and make necessary recommendations to the Board on all issues delegated to them.

Board Meetings

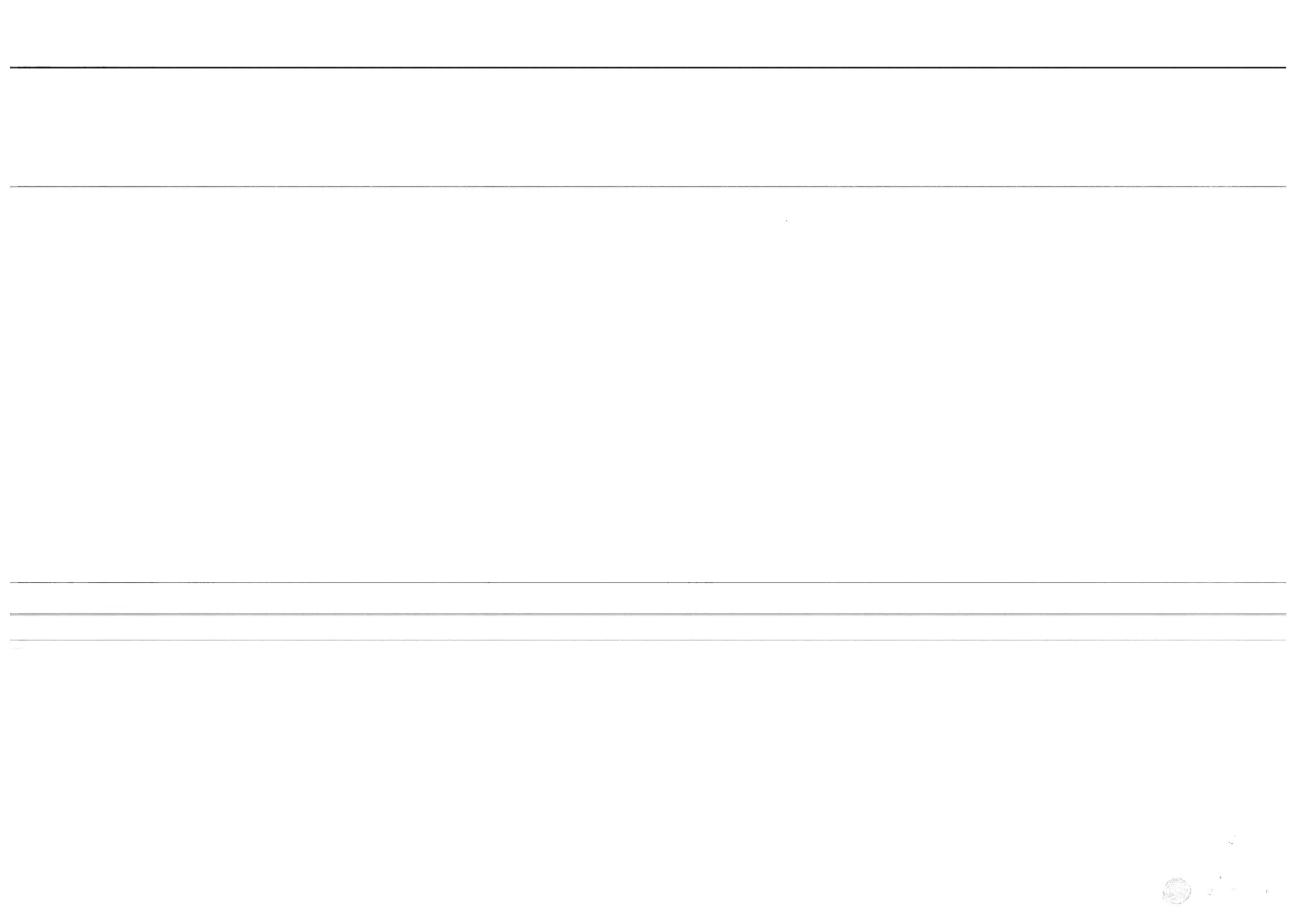
The Agency has four scheduled meetings per year and meets as necessary to deliberate on specific or urgent matters. In the year ended 30th June, 2019 the Board had met twice, the previous board members term expired in October 2018 and former Chairman's term also ended at the end of January 2019. On February 2019, the current members were appointed and will be serving their three year term

(f) Northern Water Works Development Agency Headquarters

Northern Water Works Development Agency
Maji House Kismayu Road
P O Box 495- 70100
Garissa, Kenya

(g) Northern Water Works Development Agency Contacts

Telephone: (254) 046-2103598
Fax: (254)046-2103197
E-mail: northernwsb@yahoo.com, info@nwsb.go.ke
Website: www.nwsb.go.ke





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
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(h) Northern Water Works Development Agency Headquarters Bankers

Kenya Commercial Bank Limited
Garissa Branch
P O Box 143-70100
Garissa, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser




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





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
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III. THE BOARD OF DIRECTORS

Name and key profession/academic qualifications	Responsibility and key qualification
 <p style="text-align: center;">Shaban Ali Isaack</p>	<p>Hon. Shaaban Ali Isaack is the current Chairman of the Board who has a lot of experience dealing with community leadership in the arid region of North - Eastern part of Kenya. He has also been involved in community mobilization for development projects in the vast Northern region which has impacted positively in project ownership and sustainability. He started his working life as a water officer in Garissa after graduating from KEWI with a diploma in water engineering. He later joined politics and had served as Mandera East MP from 1992 to 2007, culminating in his appointment as Assistant Minister for Local Government from 2002 to 2007. He has also served as MP for Lafey Constituency in Mandera county from 2013 to 2017. He holds a Bachelor of Arts International Relations from United States International University and a diploma in water engineering from KEWI</p>
 <p style="text-align: center;">Mr. Suleiman Ali Gufu</p>	<p>Mr. Suleiman Ali Gufu is a board member. He is also the current chair of finance and human resource committee. He has over 5 years experience in accounting, finance and management in both private and public sector. He is a young vibrant, focused and result oriented person. He has a bachelor of Economics and statistics from University of Nairobi. He is currently pursuing a MBA Finance from Kenyatta University. He has also attained CPA Part 1 qualifications</p>
 <p style="text-align: center;">Mr. Molu Huga Arbale</p>	<p>Mr. Molu Huga Arbale is a board member. He is also the current chair technical committee. He has a wealth of experience Public sector having worked with the government for over 28 years. He has started his career as a divisional agricultural extension officer and later grown in the ranks and became district soil and conservation officer. He also worked with KTDA as a production Manager and NEMA as a Senior Process Engineer. He has also worked with the County Government of Marsabit as County Chief Officer for Public Works Roads and Transport for two years and then moved in the same capacity to the Department of Water, Environment and Natural Resources. He is a registered and licensed lead expert with National Environment Management Authority (NEMA) and serves as a consultant as a lead Environmental expert. He holds Bachelor of Science in Agricultural Engineering and a Diploma in Agricultural Engineering both from JKUAT. Currently is pursuing MSc. In Occupational Safety and Health from JKUAT.</p>

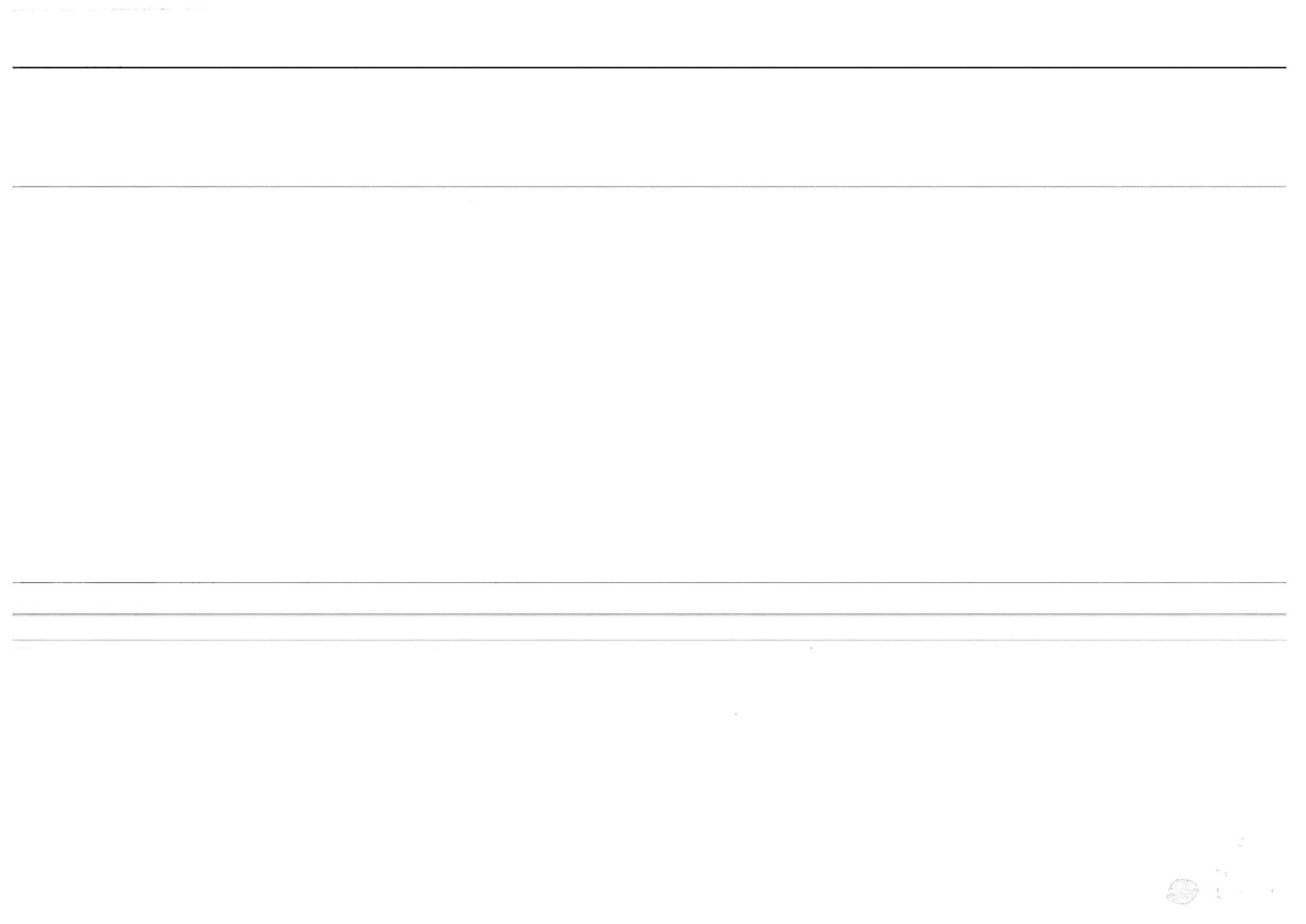




**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

THE BOARD OF DIRECTORS (Continued)

 <p align="center">Khadija Abdullahi</p>	<p>Khadija Abdullahi is a board member. She is also the current chair of audit and risk committee. She started her career at office of the president provincial Head Quarters Garissa personnel division before joining Barclays bank Garissa branch then moved to machakos branch, hurlingham branch, card operations, project management, card fraud, international payments and recently managed financial hub in IT and operations.</p> <p>She has over 20 years experience in the banking sector in managing corporate and consumer banking operations both in retail business banking and back office, experience spans over projects, process, governance, risk controls management and delivery. She is also very passionate about women and community empowerment. She holds a Bachelor of Business Management(HRM) and Diploma Human Resource Management both from Mount Kenya University</p>
 <p align="center">Mrs. Rafaella Lentoimanga</p>	<p>Mrs. Rafaella Lentoimanga is board member. She is also a current member of finance and human resource committee. She has a wealth of experience in community mobilization and development having worked with Non Governmental Organizations in samburu county. She is also involve in community work and preaching peaceful co-existence of communities in Samburu North. She has a Bachelor of Arts from University of Nairobi and a Diploma in social work and social development from University of Nairobi.</p>
 <p align="center">Mr. Abdulkadir Hashi Hussein</p>	<p>Mr. Abdulkadir Hashi Hussein is board member. He is also a member of audit and risk committee. He is a high level event organizer and has a vast experience in the entertainment field for the past 30 years. He has also gained wealth of experience in management working with DHL in Slovakia.</p>





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
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THE BOARD OF DIRECTORS (Continued)

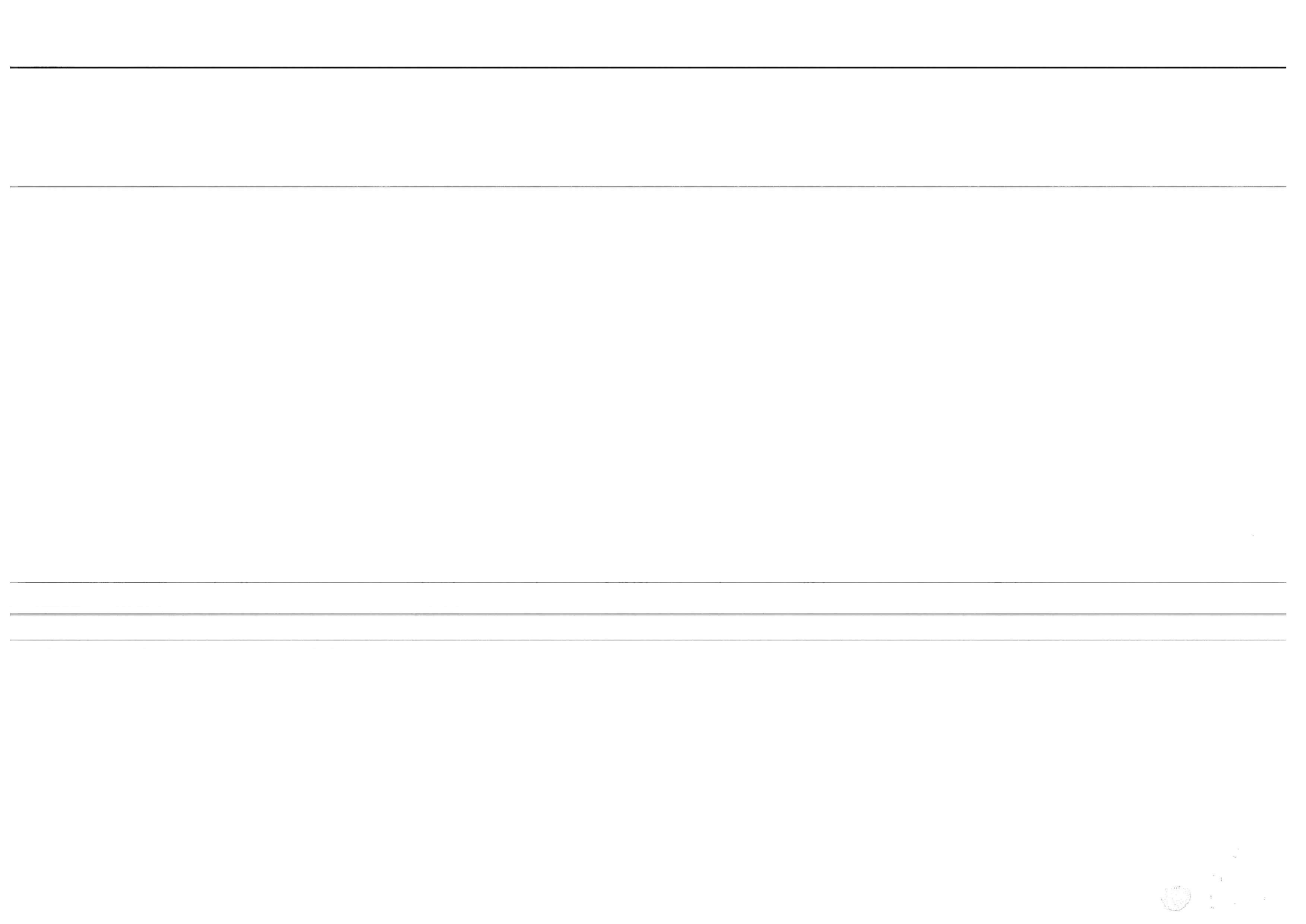
 <p style="text-align: center;">Mr. Osman H. Mohammed</p>	<p>Mr. Osman .H.Mohamed is a Representative of State corporation Advisory Committee in the Board. He has a wide experience in the field of Finance and Auditing. He has grown through various positions in the civil service where he has gained over 28 years of professional experience. He holds a Bachelors of Commerce and is a CPA (K) holder. He is also a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK)</p>
 <p style="text-align: center;">Mr. Wilfred Amwata</p>	<p>Mr. Wilfred Amwata is the Principal Secretary Ministry of Water & Sanitation's representative to the Agency. He has over 10 years' experience working in the Ministry of Water Sanitation. He is also a key person in budget making in the ministry since he is involved in all budget cycle He holds Bachelor of Science degree in Civil Engineering from the University of Nairobi. He has also attended several courses, seminars, workshops and training.</p>
 <p style="text-align: center;">Abdikadir N. Osman Bcom, MBA Strategic Management</p>	<p>Mr. Abdikadir Noor Osman is the Chief executive officer. Mr. Osman has over 20 years in Financial management and organizational development. He has worked in blue chip companies such as Standard Chartered bank, Nation Media Group and Kenya Institute of management before joining the Water Sector in 2005. He joined the Agency as Finance & Administration Manager before his appointment as the Chief executive officer in 2013. He holds Bachelors of Commerce and masters of Business Administration from the University of Nairobi and USIU –Africa respectively. He also holds post-graduate diploma in project management from Kenya Institute of management and CPA qualifications. He has also attended several courses, workshops, seminars and trainings both locally and internationally.</p>



**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

IV. MANAGEMENT TEAM

DETAILS	AREA OF RESPONSIBILITY
 <p>Abdikadir N. Osman Bcom, MBA Strategic Management</p>	<p>Mr. Abdikadir Noor Osman is the Chief executive officer. Mr. Osman has over 20 years in Financial management and organizational development. He has worked in blue chip companies such as Standard Chartered bank, Nation Media Group and Kenya Institute of management before joining the Water Sector in 2005. He joined the Agency as Finance & Administration Manager before his appointment as the Chief executive officer in 2013.</p> <p>He holds Bachelors of Commerce and masters of Business Administration from the University of Nairobi and USIU –Africa respectively. He also holds post-graduate diploma in project management from Kenya Institute of management and CPA qualifications. He has also attended several courses, workshops, seminars and trainings both locally and internationally.</p>
 <p>Eng. Dionisius N. Shem Nderi Bsc. Civil Engineering MIEK, R.Eng.</p>	<p>Eng. Dionisius Njiru Nderi has over 30 years experience in the Water Sector. He is currently the Technical Services Manager of Northern Water Works Development Agency overseeing the Technical Services namely: Planning and Design, Implementation of Water and Sewerage Developments and emergency Coordination.</p> <p>He holds Bachelor of Science Degree in Civil Engineering from University of Nairobi. He is a registered with Engineers Board of Kenya and a Corporate member of the Institution of Engineers of Kenya. He has previously served as a Project Manager, District Water Engineer and Provincial Development Engineer in various parts of the country.</p> <p>He has attended various courses, seminars, workshops and training locally and internationally. He has participated in development of various policy and project documents.</p>
 <p>CPA Andrew Rage Eysimkele BBM, CPA(K),CIFA</p>	<p>CPA Andrew Rage has over 12 years experience in public sector, in the fields of Finance, Accounting, Auditing and Management. He is currently the institution's Ag. Finance & Administration Manager. Before joining the Agency, he has worked with the National Treasury for over 5 years as an Accountant and prior to that as a Postal Officer with Postal Corporation of Kenya. He holds a Bachelor of Business Management, Finance and Banking option. He is a CPA (K) holder and a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK) in good standing.</p> <p>He is also a graduate of Certified Investment and Financial Analyst (CIFA). Currently, he has completed his MBA Finance from Kenyatta University, but awaiting graduation. He has also attended several courses, workshops, seminars and trainings.</p>





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
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V. CHAIRMAN'S STATEMENT

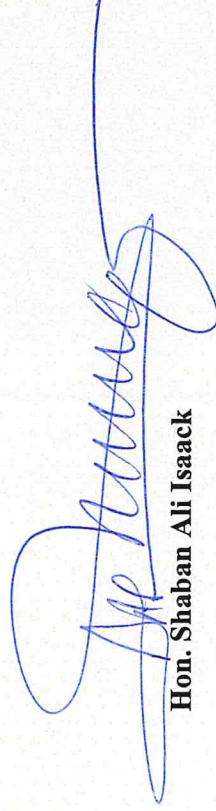
I am glad to present this Annual Report and Financial Statements of Northern Water Works Development (NWWDA) for the financial year 2018/2019. On behalf of the Board of Directors, I wish to take this opportunity to commend and acknowledge the tireless efforts exhibited by the entire Northern Water Works Development Agency's staff in ensuring that our mandate of providing water and sanitation services within our area of jurisdiction is achieved.

The Agency had implemented a number of development projects key among them Equalization funded projects, donor funded projects like Garissa Sewerage projects and Isiolo Water and Sanitation projects. We also completed a number of water pans and boreholes across the Agency's region and am happy to report that the Agency is making a great impact to the lives of the communities in the region. As an Agency we are fully aware of the big 4 Agenda and since water is a key enabler in the big 4 Agenda, we are fully committed by aligning our projects towards its attainment

In carrying out our duties, we intend to put all our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030 and the "Big Four" initiative, keeping in mind the specific priorities of the Northern Water Works Development Agency.

I assure you of the Agency's commitment towards improving service provision in all areas within our jurisdiction and also provide the necessary support to the management to ensure that the objectives of board is achieved successfully.

I also appreciate the Ministry of Water, Sanitation and Irrigation, The National Treasury and Planning, Development partners, Regulatory authorities and all other stakeholders for their guidance, continued support and co-operation. Let me say thank you once more to, all members of staff, my fellow board of directors, and all other stakeholders whom I have not mentioned. It is my sincere belief and hope that we will achieve better performance in the coming year.


Hon. Shaban Ali Isaack

Chairman

Date 27/9/2019

**CHIEF EXECUTIVE OFFICER
NORTHERN WATER WORKS
DEVELOPMENT AGENCY
P. O. Box 495-70100 GARISSA**

**CHIEF EXECUTIVE OFFICER
NORTHERN WATER WORKS
DEVELOPMENT AGENCY
P. O. Box 495-70100 GARISSA**





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
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VI. REPORT OF THE CHIEF EXECUTIVE OFFICER

Statement of the Chief Executive Officer

During the 2018/2019 financial year, the Agency experienced a reduction in budgetary allocation and delays in exchequer releases especially the Water harvesting program thus affecting implementation of projects. This is a region which water is a scarce commodity and in our delivery of this vital commodity we are faced with a number of challenges; the cost of water production is very high, as pumping constitutes a major component, because of the vast region and limited water infrastructure, water sources are generally far apart hence long walking distances. To correct this and make water available to the people, heavy investments are required to put up new infrastructure as many areas are not adequately served.

Despite all that, the Agency made remarkable improvement in project implementation and collaboration with our development partners. We ensured that most projects were completed in time and a good number of ongoing ones are at remarkable progress.

Water and Sanitation Facilities Developments

During the financial year 2018-2019 the Agency undertook many infrastructure projects. The projects were funded directly from the ministry through annual grants for rural, urban and sanitation facilities and donor funds.

Donor Projects

The board had several donor projects which are at different levels of implementation. These are as listed below:

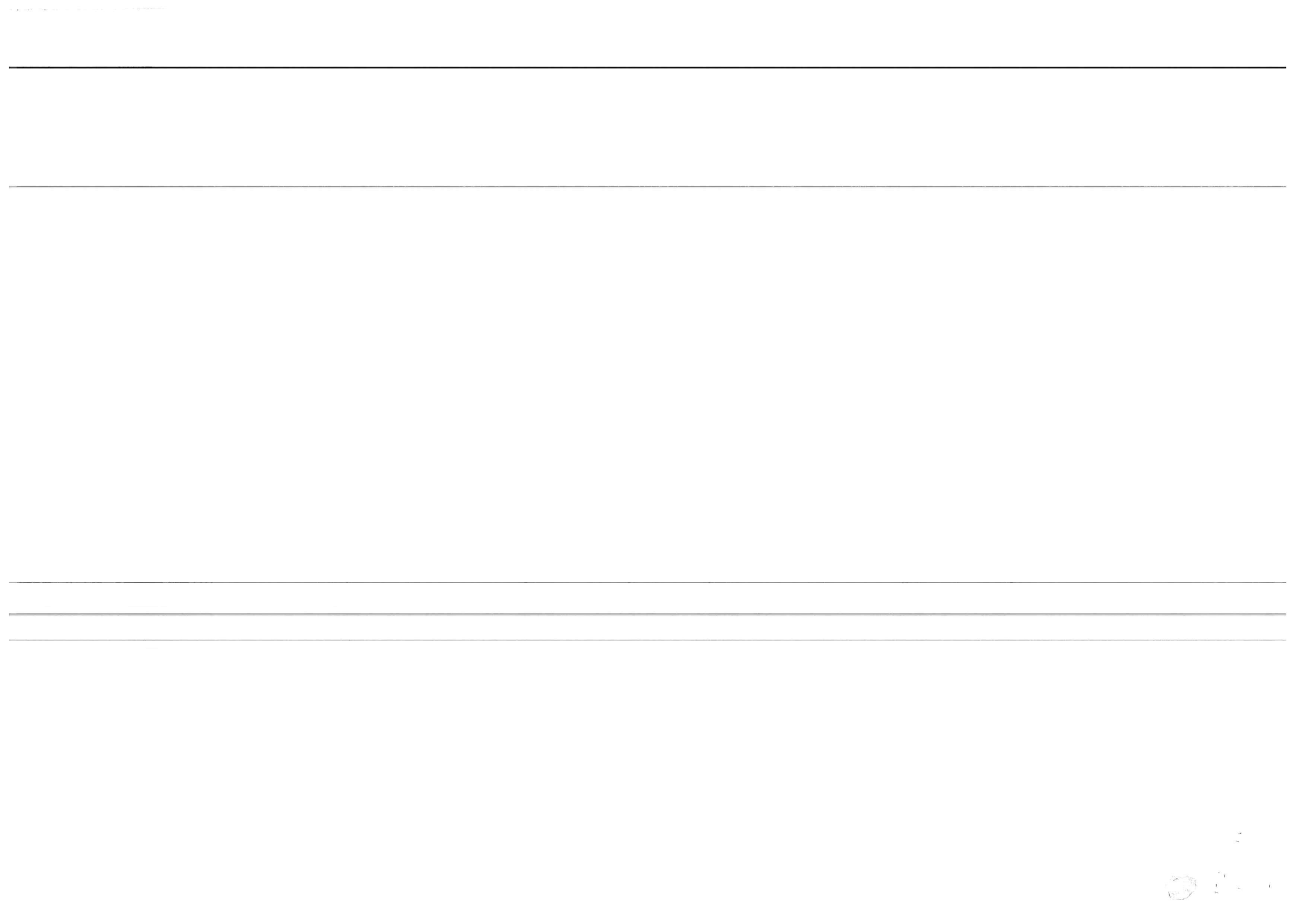
A) BADEA/OPEC PROGRAM

1. Garissa Sewerage Project

The Garissa sewerage project is expected to serve a population of over 120,000 persons within Garissa and its environs. The phase I project commenced in June 2009 and is 100% complete. The phase II of the project which involves extension of sewer lines, secondary lines and property connections commenced from 25% to 50% in 2017. Once complete the project is expected to improve the sanitation coverage of Garissa town from 20% to 40%. The project is currently 95% complete and is expected to be completed by the end of December 2019

The following has been undertaken:-

- i) 1.1 Km (line H) trunk mains from pumping station to Kenya Power station completed.
- ii) 10Km Secondary lines connecting to line H completed.
- iii) 50No. Manholes on the line H and secondary lines completed
- iv) Force main tested and treatment works operationalized
- v) Consumers/households have been connected to the new system. This includes a number of public institutions such as Garissa University. The entities sewer is flowing to the new treatment works





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
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B) AFRICAN DEVELOPMENT BANK (ADB)

During the Financial Year 2018/19, African Development Bank funded a number of projects in our region through a joint implementation arrangement with us and Tana Water Works Development Agency. The arrangement is that the finances and reporting are administered at Tana Water Works Development Agency but supervised and monitored by us

The following are the projects funded by African Development Bank

1. Construction of Marsabit Water and sewerage projects

Marsabit water and sanitation project objective is to increase water and sanitation coverage in Marsabit town from 20% to 40% and 0% to 60% respectively. The overall project completion rate is currently at 21%

The following has been undertaken:-

- i) Land compensation is on going with valuation being undertaken by the National Land Commission
- ii) Construction of dam is at 15%
- iii) Construction of treatment works is at 15%
- iv) Construction of storage tanks is at 15%
- v) Laying of 5km water pipeline is at 15%
- vi) Construction of wastewater stabilization ponds is at 20%
- vii) Laying of 5km sewer pipeline is at 10%

2. Construction of Mandera Water and Sanitation Project

Mandera water and sanitation project objective is to increase water and sanitation coverage in Mandera town from 15% to 70% and 0% to 60% respectively. The project will serve a population of 50,000 people. The overall project completion rate is currently at 20%

The following has been undertaken:-

- i) Land compensation is on going with valuation being undertaken by the National Land Commission
- ii) Construction of Intake works and Infiltration Wells is at 15%
- iii) Construction of treatment works is at 15%
- iv) Construction of storage tanks is at 10%
- v) Laying of 5km water pipeline is at 15%
- vi) Construction of wastewater stabilization ponds is at 15%
- vii) Laying of 5km sewer pipeline is at 7%





NORTHERN WATER WORKS DEVELOPMENT AGENCY
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Last mile connectivity Projects

The objective of the project is to increase water and sanitation services in Garissa and Isiolo towns. The following has been undertaken for Isiolo town:-

- i) Laying of 9.4Km of water pipeline of 110mm done (25%)
- ii) Laying of 2.2 km sewer line. (25%)

The following has been undertaken for Garissa town:-

- i) 2 No boreholes Rehabilitated & equipped and 5no drilled (10%)
- ii) 20% Completion 1000m³ RC storage tank (10%)
- iii) Construction 1No 300m³ elevated tanks (10%)
- iv) Rehabilitation of pumping equipments complete (5%)

2. Government of Kenya funded projects

The board is undertaking various projects in rural and urban areas through funding from the GOK in different counties. This is both storage infrastructure and pipeline

1. Construction of Dams

The objective of the project is to increase the storage capacity of water intakes for various water supplies as indicated below.

The following has been undertaken:-

- i) Construction of Yamo Dam is ongoing and is at 40%.
- ii) Desilting of Lechoro Lerai Dam is ongoing and is at 80%.
- iii) Rehabilitation of Lesepe Dam stopped by the community (0%).
- iv) Construction of Wamba Dam is complete and the Board is sourcing for funds for the water supply.
- v) And extra Dam at diso abdi luge completed

2. Construction of water Pans (96% done)

The following water pans are complete and have impounded water:-

- | | |
|--------------------------|------------------|
| i) Gurdis Water Pan | - Mandera County |
| ii) Sukela Dima | - Mandera County |
| iii) Abagaille Dam | - Garissa County |
| iv) Danyo Wasin 2No | - Samburu County |
| v) Ngoroni Water Pan | - Samburu County |
| vi) Dela Pan | - Wajir County |
| vii) Tito pan | - Wajir County |
| viii) Beladwein Pan | - Wajir County |
| ix) Mathalibah Water Pan | - Wajir County |





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
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3. Construction of small water supplies

The following water supplies are at different stages of implementation as indicated below:-

- i) Moyale Water Supply -68%
- ii) Borole Rock Catchment -50%
- iii) Kubi Qallo water project -65%
- iv) Modogashe Water Supply Project -30%
- v) Bulla Dansa and Bulla Jilo-85%
- vi) Alamachi Water Supply -84%
- vii) Mwangaza Water Supply -80%
- viii) Manyatta Ginda -80%
- ix) Basilinga ater Supply -90%
- x) Muriti Water Supply -30%
- xi) Laililaili Water Project-55%
- xii) Baaawa Water Project-83%
- xiii) Tarbaj Water Supply-88%
- xiv) Eldas Water Supply -58%
- xv) Kursin Water Supply -54%
- xvi) Wajir Bor -85%
- xvii) Adan Awalle-60%





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
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1. Future outlook

As indicated in the financial statements for the year 2018/2019, the Agency's performance decline from a surplus of Kshs. 5,768,659 to a deficit of Kshs. (37,750,374) in the 2017/2018 F/Y and 2018/2019 F/Y respectively. This is because of reduction in budgetary allocation and delays in exchequer releases and increase in motor vehicle maintenance costs due to additional projects like equalization funded projects which are spread across the region.

The Agency will try to improve on the future performance through further austerity measures such as reduced travelling costs and vehicles operation and maintenance costs.

**Abdikadir Noor Osman, HSC
Chief Executive Officer**

Date ...27/9/2019...

**CHIEF EXECUTIVE OFFICER
NORTHERN WATER WORKS
DEVELOPMENT AGENCY
P. O. Box 495-70100 GARISSA**



**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

VII. CORPORATE GOVERNANCE STATEMENT

The Northern Water Works Development Agency was earlier established as Northern Water Services Boards through a Kenya Gazette Notice No. 1716 dated 12th March 2004 as a State Corporation under the State Corporations Act and the Water Act 2002. The water Act 2016 was enacted and the Northern Water Services Board, was gazetted as Northern Water Works Development Agency vide special issue of Kenya Gazette No. 28 dated 26th April 2019. The board fully appreciates its responsibilities in meeting its strategic objectives and mandate. In order to meet these objectives the board is striving to ensure it embraces good corporate governance and this has had positive impact on the board's performance.

VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Board contributed towards the national Tree planting days and the staffs were mobilized and over 300 tree seedlings were planted that day. One officer was also tasked to ensure that the seedlings are watered frequently

In addition to above, the Board has given the necessary support to disadvantaged members of communities in having access to water through pro-poor programmes and also provide support to those affected by floods during the heavy rains.





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

IX. REPORT OF THE DIRECTORS

Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 30 June 2019, which disclose the state of affairs of the board.

Incorporation

The Northern Water Works Development Agency was earlier established as Northern Water Services Boards through a Kenya Gazette Notice No. 1716 dated 12th March 2004 as a State Corporation under the State Corporations Act and the Water Act 2002. The water Act 2016 was enacted and the Northern Water Services Board, was gazetted as Northern Water Works Development Agency vide special issue of Kenya Gazette No. 28 dated 26th April 2019. The address of the registered office is as set out on page 1.

Results

	2018/2019	2017/2018
	Kshs	Kshs
Surplus/(Deficit) before tax	(37,750,374)	5,768,659
Income tax	Nil	Nil

Principal Activities

The principal activities of the Agency are the provision of water and sanitation services in its area of jurisdiction as per the Water Act 2016.

Directors

The directors who held office during the year and to the date of this report are listed on page v to vii

Auditors

Being a statutory corporation, the financial statements are being audited by the Auditor General (OAG) under section 35 of the Public Audit Act 2015.

By order of the Board


Secretary/Chief Executive Officer
Abdikadir N. Osman

Date----- 27/9/2019 -----

**CHIEF EXECUTIVE OFFICER
NORTHERN WATER WORKS
DEVELOPMENT AGENCY
P. O. BOX 491, JOHNSON GARISSA**

**CHIEF EXECUTIVE OFFICER
NORTHERN WATER WORKS
DEVELOPMENT AGENCY
P. O. Box 495-70100 GARISSA**





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

X. 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 Northern water Works Development Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year and the operating results of Northern water Works Development Agency for that year. The Directors are also required to ensure that management keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for the financial year ending on June 30, 2019. This responsibility includes:

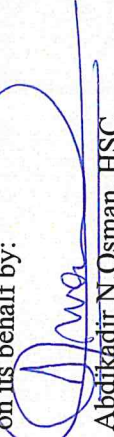
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) designing, implementing 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 the Agency;
- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.


The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of the Agency's transactions during the financial year ended 30 June 2019, and of the Agency's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Agency's financial statements were approved by the Board on 27/9/2019 2019 and signed on its behalf by:


Abdikadir N. Osman, HSC
Chief Executive Officer


Suleiman Ali Gufu
Chair, Finance and Human Resource Committee

Date ... 27/9/2019

Date ... 27/9/2019





REPORT OF THE AUDITOR-GENERAL ON NORTHERN WATER WORKS DEVELOPMENT AGENCY (FORMERLY NORTHERN WATER SERVICES BOARD) FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Northern Water Works Development Agency (Formerly Northern Water Services Board) set out on pages 1 to 19, which comprise the statement of financial position as at 30 June, 2019, the statement of financial performance, statement of changes in net assets, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Northern Water Works Development Agency (Formerly Northern Water Services Board) as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Water Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Long Outstanding Receivables from Non- Exchange Transactions

The statement of financial position and as disclosed in Note 16 to the financial statements reflects receivables from non-exchange transaction balance of Kshs.23,880,969 as at 30 June, 2019. This relates to revenue receivable from water companies which have which remained outstanding for more than three years. Management did not make provisions for bad and doubtful debts and has not demonstrated efforts made to recover the receivable. The recoverability of the trade debtors remains doubtful and may negatively impact on the cash flows of the Agency.

Consequently, the recoverability and fair statement of the receivables from non-exchange transactions balance of Kshs.23,880,969 as at 30 June 2019 could not be confirmed.

2.0 Unsupported Monitoring & Evaluation Expenses

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects project costs amount of Kshs.1,677,159,264. Included in this amount is Kshs.23,464,374 in respect of monitoring and evaluation expenses. However, examination of payment records and supporting documents revealed that payments amounting to Kshs.1,244,000 were not supported with feasibility study report as well as design of water pan and inspection report, during monitoring of projects carried out in Wajir County.

Consequently, the accuracy of the project costs on monitoring and evaluation of Kshs.23,464,374 as at 30 June, 2019 could not be confirmed.

3.0 Unsupported Payment for Legal Fees

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects administrative costs amount of Kshs.30,465,032. Included in this amount is Kshs.6,508,700 in respect of legal fees. The payment was in respect of a court case in respect of ownership of a piece of land situated along Kismayu Road within Garissa municipality. However, the ownership document of the land, evidence of service rendered by the advocate such as notice of motion and defense filed on behalf of the organization as well as the judgements for the case were not availed for audit review.

Consequently, the validity of the expenditure of legal fees of Kshs.6,508,700 as at 30 June, 2019 could not be confirmed.

4.0 Unauthorised Reallocation of Funds - Construction of Yamo Dam

The Agency awarded a contract for the construction of Yamo dam at a contract sum of Kshs.1,091,376,567 on 24 August, 2017. During the year under review, the Agency made payment of Kshs.54,439,367 from GOK Development funds to finance the construction of Yamo dam that was planned and budgeted for under the Equalization Fund. This is contrary to Section 48(1)(e) of the Public Finance Management Regulations, 2015 which states that allocations earmarked by The National Treasury for a specific purpose may not be used for other purposes except with the Treasury's approval.

In addition, the Agency made interim payment of Kshs.307,484,317 during the year under review. The payment not supported with inspection and acceptance committee report. This was contrary to Section 48(3)(c) of Public Procurement and Assets Disposal Act, 2015 which requires inspection and acceptance committee to accept or reject on behalf of procuring entity delivered goods, works or services.

Consequently, Management was in breach of law.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

A review of the statement of comparison of budget and actual amounts revealed that during the year under review, the Agency had an approved revenue budget of Kshs.1,939,219,304 on Equalization and GOK Funds. However, the Agency received a total revenue of Kshs.1,269,373,822 resulting to a variance of Kshs.669,845,482 representing 33% of the budgeted revenue as analyzed below:-

Revenue Item	Budget Kshs.	Actual Kshs.	Variance Kshs.	% Under-Realization
Equalization Fund	1,405,469,304	886,866,572	518,602,732	37
Government of Kenya Funds	533,750,000	382,507,250	151,242,750	28
Total	1,939,219,304	1,269,373,822	669,845,482	

The underfunding of the Agency could lead to under performance of the organization.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

1.0 Construction of Yamo Dam

The Agency awarded a contract for the construction of Yamo dam at a contract sum of Kshs.1,091,376,567 on 24 August, 2017. However, examination of payment records, project file, bills of quantities and other tender documents revealed that the procurement plan and approved budget indicated an estimated cost of Kshs.250,000,000 for the construction of the dam. However, the Agency entered into a contract valued Kshs.1,091,376,567 without taking into consideration as to whether sufficient funds were available to meet the obligation of the resulting contract. This was contrary to Section 23(2)(g) of Public Finance Management (National Government) Regulations, 2015, which requires Accounting Officer not to commit National Government entities to any liability for which money has not been appropriated.

In addition, the performance security for the project of Kshs.109,137,656 expired on 25 May, 2019. Management did not request the contractor to renew the performance security.

In view of the above, value for money was not realised on the expenditure of Kshs.307,484,317 for the construction of the dam.

2.0 Maintenance of Water Supplies

The Agency incurred expenditure of Kshs.1,633,050,275 on maintenance of water supplies. However, site inspection of the construction of 150M³ elevated steel tank at Tarbaj water supply revealed that the elevated steel tank had collapsed as a result of use of poor-quality. The Agency had paid Kshs.5,724,000 for the construction. Further, there were no Environmental Impact Assessment carried out before commencement of the projects contrary to Environmental Management and Coordination Act,1999 (amended 2015).

Consequently, Management was in breach of law and value for money has not been realised.

3.0 Construction of Eldas–Anole Water Project

The Agency contracted for additional works at a contract cost of Kshs. 10,178,598 for the construction of Eldas–Anole water project whose initial contract sum was Kshs.84,797,319. However, there was no approval for the additional works by the accounting officer. This was contrary to Section 139(1)(a) of the Public Procurement and Asset Disposal Act, 2015.

Consequently, Management was in breach of law and value for money has not been realised.

4.0 Procurement of Plastic Storage Tanks for Drought Intervention

During the financial year ended 30 June, 2019, the Agency procured assorted plastic storage tanks worth Kshs.3,757,000 for Garissa County under the drought mitigation

programme for the provision of water to drought affected persons. Although the tanks were received, recorded and issued out to various locations, there was no evidence produced such as signed acknowledgement letters from the communities intended to benefit from the delivery of the tanks as there is likelihood of diversion of such tanks in absence of acknowledgement.

Consequently, it has not been possible to confirm that value for money was realised in distribution of the tanks.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Overall Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

The Agency Management had not put in place risk management policy, strategies and risk register to mitigate against risk. It was, therefore, not clear how the management manages risk exposures. This is in contravention of Regulation 165 (1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and the national government entity develops a system of risk management and internal control that builds robust business operations.

Under the circumstances, the management may not be in a position to evaluate, rank and prioritize critical risks and channel resources towards mitigating identified risks.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether

effective processes and systems of internal control, risk management and 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 its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 policies and procedures may deteriorate.

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

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

obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to continue to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS

AUDITOR – GENERAL

Nairobi

17 January, 2022



**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

XII. STATEMENT OF FINANCIAL PERFORMANCE

Revenue from non-exchange transactions	Notes	2018/2019 Kshs	2017/2018 Kshs
Government Grants	2	82,450,000	128,032,000
Water levies	3	-	-
Accrued Income-in-kind	4	30,853,581	15,171,948
Other incomes	5	93,000	2,855,479
Project Funds	6	1,766,350,106	566,492,782
Total revenue		1,879,746,687	712,552,209
Expenses			
Employee costs	7	45,408,682	44,856,766
Senior Management costs	8	19,314,850	15,515,622
Remuneration of Directors	9	15,233,235	9,118,912
Depreciation costs	10	33,527,099	18,397,063
Amortization costs	11	567,063	708,829
Operation Costs	12	6,630,994	10,665,086
Administrative Costs	13	30,465,032	41,028,490
Project Costs	14	1,766,350,106	566,492,782
Total expenses		1,917,497,061	706,783,550
Deficit before tax		(37,750,374)	5,768,659

The notes set out on pages 1 to 18 form an integral part of these Financial Statements



NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019

XII. STATEMENT OF FINANCIAL POSITION

	Notes	2018/2019 Kshs	2017/2018 Kshs
Assets			
Current assets			
Cash and cash equivalents	15	317,539,928	733,797,520
Receivables from non-exchange transactions	16	23,880,969	23,880,969
Total current assets		341,420,897	757,678,489
Non-current assets			
Property, plant and equipment	17	106,053,184	60,755,716
Intangible assets	18	2,268,254	2,835,317
Total Non-current assets		108,321,438	63,591,033
Total assets		449,742,335	821,269,522
Liabilities			
Current liabilities			
Trade and other payables	19	93,760,517	8,228,254
Total current liabilities		93,760,517	8,228,254
Non-Current liabilities			
Unexpended Project Grants	21	215,964,306	682,318,280
Deferred Income	22	92,560,743	45,515,845
Total non-current liabilities		308,525,049	727,834,125
Total liabilities		402,285,566	736,062,379
Net assets		47,456,769	85,207,143
Revenue Reserves		16,700,807	54,451,181
Capital Fund		30,755,962	30,755,962
Total net assets/Equity		47,456,769	85,207,143

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

Abdikadir N. Osman, HSC Chief Executive Officer	CPA Andrew Rage Eysimkele Ag. FAM	Hon. Shaban Ali Isaack Chairman
Date 27/9/2019	Date 27/9/2019	Date 27/9/2019

CHIEF EXECUTIVE OFFICER
NORTHERN WATER WORKS
DEVELOPMENT AGENCY
P. O. BOX 495-70100 GARISSA





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019**

XIII. STATEMENT OF CHANGES IN NET ASSETS

	Capital Fund Kshs	Revenue Reserves Kshs	Total Kshs
Balance as at 30 JUNE 2017	30,755,962	48,682,522	79,438,484
Surplus for the period	-	5,768,659	5,768,659
Transfers to/from accumulated surplus	-	-	-
Balance as at 30 JUNE 2018	30,755,962	54,451,181	85,207,143
Deficit for the period	-	(37,750,374)	(37,750,374)
Transfers to/from accumulated surplus	-	-	-
Balance as at 30 JUNE 2019	30,755,962	16,700,807	47,456,769





NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019

XIV. STATEMENT OF CASH FLOWS

Cash flows from operating activities	Notes	2018/2019 Kshs	2017/2018 Kshs
Receipts			
Deficit before tax		(37,750,374)	5,768,659
Non –Cash movements			
Depreciation	10	33,527,099	18,397,063
Amortization	11	567,063	708,829
Asset Disposal		-	-
Cash flow from operating activities		(3,656,212)	24,874,551
Decrease / (increase) in trade & other receivables	16	-	1,100,000
Decrease / (increase) in prepayments & deposits		-	-
Increase / (decrease) in trade & other payables	19	85,532,263	(96,194)
Net working capital changes		85,532,263	1,003,806
Net cash from operating activities		81,876,051	25,878,357
Cash flow from investing activities			
Purchase of Property ,Plant & Equipment		(926,088)	(585,300)
Purchase of Intangible Asset		(926,088)	(585,300)
Cash flow from financing activities			
Increase / (decrease) in deferred income	22	(30,853,581)	(15,171,948)
Increase / (decrease) in unexpended grants	21	(466,353,974)	429,128,767
Net increase/(decrease) in cash & cash equivalent		(416,257,592)	439,249,876
Cash and cash equivalents as at 1 July 2018	15	733,797,520	294,547,644
Net Cash and cash equivalents as at 30 June 2019	15	317,539,928	733,797,520





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019**

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Income	Original budget 2018/2019 Kshs	Adjustments 2018/2019 Kshs	Final budget 2018/2019 Kshs	Actual on comparable basis 2018/2019 Kshs	Performance difference 2018/2019 Kshs
Water Levies	-	-	-	-	-
Other Incomes	50,000	43,000	93,000	93,000	-
Government Grants	85,000,000	2,550,000	82,450,000	82,450,000	-
Accrued Income –in-Kind BADEA & OFID Direct Payments	133,750,000	89,750,000	44,000,000	30,662,311	13,337,689
Equalization Funds	1,405,469,304	-	1,405,469,304	886,866,572	518,602,732
GOK Funds	400,000,000		400,000,000	382,507,250	17,492,750
Total income					





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019**

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Expenses	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference	
	2018/2019 Kshs.		2018/2019 Kshs.		2018/2019 Kshs.		2018/2019 Kshs.		2018/2019 Kshs.	
Employee Costs	45,800,000		430,000		45,370,000		45,408,682		(38,682)	
Senior Management Costs	19,960,000		660,000		19,300,000		19,314,850		(14,850)	
Remuneration of Directors	8,914,000		(4,886,000)		13,800,000		15,233,235		(1,433,235)	
Depreciation Costs	-		-		-		-		-	
Amortization Costs	-		-		-		-		-	
Operation Costs	3,021,000		(7,179,000)		10,200,000		6,630,994		3,569,006	
Administrative Costs	7,355,000		(21,145,000)		28,500,000		30,465,032		(1,965,032)	
Project Costs	1,626,750,000		324,942,102		1,951,692,102		1,766,350,106		185,341,996	
Total expenditure	1,711,800,000		292,822,102		2,068,862,102		1,883,402,899		185,459,203	
Surplus for the period										

Note:

The difference is attributed to delay of disbursement of equalization funds by the National treasury





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE**

2019

XVI. NOTES TO THE ACCOUNTS:

1. General Information

The Northern Water Works Development Agency was earlier established as Northern Water Services Boards through a Kenya Gazette Notice No. 1716 dated 12th March 2004 as a State Corporation under the State Corporations Act and the Water Act 2002. The water Act 2016 was enacted and the Northern Water Services Board, was gazetted as Northern Water Works Development Agency vide special issue of Kenya Gazette No. 28 dated 26th April 2019. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Agency's principal activities are the provision of water and sanitation services in its area of jurisdiction

2. Summary of Significant Accounting Policies

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

a) Statement of Compliance and Basis for Preparation –IPSAS1

The financial statements are prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in functional currency, Kenya shillings (Kshs), which is the prevailing within the primary economic environment and prepared in accordance with the measurement bases prescribed by IPSAS.

The preparation of financial statement in conformity with IPSAS requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the board's policies.

b) Revenue Recognition-Revenue from Non-Exchange transactions – IPSAS 23

The Board adopts the modified accrual basis of accounting for revenue. Revenue is recognized when funds are received and represent the amount of funds received from the GOK, Kenya Water and Sanitation programme, fees charged on water service providers and sale of tender documents.

c) Property, Plant and Equipment –IPSAS 17

All categories of property, plant and equipment are initially recorded at cost. According to Water Act 2002 the ministry of water and irrigation was required to value the assets and hand over to the board. However this did not happen, hence consequently only assets whose values have been determined are the only ones taken into account. The assets are stated at historical cost less depreciation. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the board and the cost measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation on assets is calculated on a reducing balance basis and written off the cost as per rates below:

Furniture and fittings	12.5%
Computers	33.3%
Other equipment	12.5%
Motor vehicles	25%
Software	20%





NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019

(Notes to the Accounts continued)

d) Amortization of deferred income

Deferred income relates to various assets which were directly purchased by JICA, WASSIP, KOICA, ADB, UNICEF, EU, SIDA/DANIDA and handed over to the Agency. Depreciation on assets is calculated on a reducing balance basis and written off the cost as

per rates below:

Motor vehicles 25%

e) Transactions in Foreign Currencies- IPSAS 4

Transaction in foreign currencies during the year is converted into functional currency, Kenya Shillings, using the exchange rates prevailing at the dates of the transactions. However the board had few transactions in foreign currencies.

f) Receivables

The receivables taken into account are basically prepayments and levies charged on water sales by water service providers who are agents of the Board. No provisions for impairment as the amounts outstanding at the year-end are only June figures.

g) Employee Benefits- IPSAS 25

❖ Retirement benefit obligations

The board operates a defined contribution retirement benefits scheme for its unionized employees. The board's contributions to the defined contributions schemes are charged to the statement of financial performance in the year to which they relate.

❖ Accrued leave

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognized as staff expense.

h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and at bank. The board has not made any short term investments which can readily be convertible to a known amount of cash. Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at six account in Kenya commercial bank Garissa branch at 30th June 2019. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

i) Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. 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



**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019**

(Notes to the Accounts continued)

j) Statement of comparison of budget and actual amounts

The annual budget is prepared on the cash basis, whereas the financial statements are prepared on the accrual basis. As a result of the adoption of the cash basis for budgeting purposes, there are timing differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

k) Related party transactions- IPSAS 20

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the Board Chairman, the directors, the Chief executive Officer and senior managers. Related party transactions therefore comprises of Board of directors expenditure incurred for the financial year 2018/2019 amounting to **Kshs. 15,233,235** and senior management expenses amounting to **Kshs. 19,314,850** as presented in the financial statements.

l) Financial Risk Management Objectives and Policies

The board activities expose it to a variety of financial risk such as liquidity risks, effects of changes in prices of materials for infrastructure development. In order to minimize against such risks the board sets acceptable level of risks. The board ensures projects/programs are undertaken only when funds are released by the parent ministry or the respective donor. Also to mitigate against materials price fluctuations the board ensures financially viable contractors are engaged.

m) Taxation

Northern Water Works Development Agency is a state entity and derives almost 100% of its operational income from exchequer through budgetary provision and thus is exempt from taxation on net surpluses.

n) Nature and purpose of reserves

The Entity creates and maintains reserves in order to finance the renewal and replacement of property, plant and equipment from internal sources.

o) Intangible assets – IPSAS 31

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.





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE**

2019

(Notes to the Accounts continued)

p) Contingent liabilities– IPSAS 19

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.

q) Capital fund

The Entity creates and maintains capital fund from the assets and grants received from the Ministry of Water, Sanitation and Irrigation during the formative stages of creation of Northern Water Works Development Agency.

Income	2018/2019	2017/2018
Notes	Kshs	Kshs
2		
Income		
Government Grants	82,450,000	128,032,000
Recurrent Grants	-	-
Development Grants	<u>82,450,000</u>	<u>128,032,000</u>
3		
Water Levies		
Actual receipts	-	-
Accrued Fees	-	-
	=	=
4		
Accrued Income-in-kind		
Deferred income (note 22)	30,853,581	15,171,948
	<u>30,853,581</u>	<u>15,171,948</u>
5		
Other Incomes		
Miscellaneous	93,000	46,000
Direct transfer from CWSB	-	2,768,350
UAP Insurance Compensation	-	41,129
	<u>93,000</u>	<u>2,855,479</u>
6		
Project Funds		
Donor funds (Note 21 a)	30,995,412	43,458
Equalization Funds (Note 21 b)	1,279,116,374	170,717,464
GOK-Development Grants (Note 21 c)	456,238,320	395,731,860
Sub Total	1,766,350,106	566,492,782
TOTAL	<u>1,879,746,687</u>	<u>712,552,209</u>





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019**

(Notes to the Accounts continued)

Expenditure

NWSB- Institutional Expenditure (note 7 – 13)

Note 7	Employee Costs	2018/2019	2017/2018
		Kshs	Kshs
Particulars			
Salaries and wages		19,850,241	19,244,272
Casual labour		483,161	376,605
House allowance		5,338,000	5,473,000
Hardship allowance		6,524,700	6,753,300
Gratuity		-	420,620
Pension		2,728,612	2,603,100
Leave allowance		563,915	666,700
Medical insurance		8,167,973	7,606,940
Other staff allowances		-	-
Commuter allowance		1,574,000	1,581,500
Medical insurance Compensation		-	41,129
Acting Allowance		178,080	89,600
Total		45,408,682	44,856,766

Note 8 Senior Management Costs

Particulars	2018/2019	2017/2018
	Kshs	Kshs
Salaries and wages	9,152,720	7,835,360
House allowance	1,782,000	1,422,000
Hardship allowance	2,099,700	1,659,300
Gratuity	4,854,154	3,352,762
Pension	210,276	5,200
Leave allowance	100,000	200,000
Other staff allowances	720,000	720,000
Commuter allowance	396,000	291,000
Assistant Allowances	-	30,000
Total	19,314,850	15,515,622





NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019

(Notes to the Accounts continued)

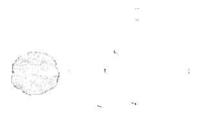
Note 9	Remuneration of Directors	2018/2019	2017/2018
Particulars		Kshs	Kshs
Board sitting allowance		680,000	1,660,000
Board Training & Workshops		5,567,254	2,623,983
Board travelling and accommodation		4,997,056	3,100,887
Honoraria		960,000	960,000
Chairman's airtime		56,000	77,000
Board's medical Insurance		873,523	697,042
Foreign Travel		2,099,402	-
Total		15,233,235	9,118,912

Note 10 Depreciation Costs (Note 18)

Particulars	2018/2019	2017/2018
	Kshs	Kshs
Computers	449,916	674,537
Furniture and Fittings	469,711	440,086
Motor Vehicle	31,597,069	16,163,266
Equipment	1,010,403	1,119,174
Total	33,527,099	18,397,063

Note 11 Amortization Costs (Note 19)

Particulars	2018/2019	2017/2018
	Kshs	Kshs
Cost as at 01-07-2017	-	-
Additions during the year	9,925,160	9,925,160
Cost as at 30-06-2018	9,925,160	9,925,160
Amortization as at 01-07-2017	7,089,842	6,381,013
Written Down Value	2,835,317	3,544,147
Charge for the year (20% of WDV)	567,063	708,829





NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019

(Notes to the Accounts continued)

Note 12	Operation Costs	
Particulars	2018/2019 Kshs	2017/2018 Kshs
Trade shows	45,000.00	-
Maintenance of motor vehicle	4,729,687	7,771,072
Maintenance of furniture and equipment	672,807	498,025
Maintenance of building and stations	199,600	1,658,040
Maintenance of computers and accessories	86,300	538,262
Maintenance of water supplies	-	-
Drought and flood mitigation	-	-
Monitoring and evaluation	897,600	199,687
Total	6,630,994	10,665,086

Note 13 Administrative Costs

Particulars	2018/2019 Kshs	2017/2018 Kshs
Electricity	570,205	1,028,371
Water and sewerage	118,568	55,570
Telephone	457,254	486,492
Internet connection	198,793	241,824
Courier and postal	197,081	102,572
Local travel	10,309,635	14,233,980
Newspaper subscription	30,000	32,400
Advertising and publicity	1,153,512	3,729,372
Staff training	-	-
Workshop and seminars	1,631,140	5,396,314
Staff welfare	25,500	99,250
Motor vehicle insurance	2,821,723	1,895,894
Sanitary Expenses	169,324	-
General office supplies	741,370	601,796
Stationery	611,725	1,634,782
Fuel and lubricants	3,272,372	7,228,630
Bank charges	75,330	203,328
Club Membership & Professional Bodies	95,400	149,600
Contracted security guards	1,477,400	1,627,900
Publishing and printing	-	30,000
Legal fee	6,508,700	1,656,415
Provision for Audit fee	-	550,000
Corporate Social Responsibility	-	44,000
Total	30,465,032	41,028,490

Total NWSB –Institutional Expenditure (Notes 7-13) 151,146,955 140,290,768





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019**

(Notes to the Accounts continued)

**Note 14 Project Costs
(a) Operation Costs**

Particulars	2018/2019 Kshs	2017/2018 Kshs
Maintenance of motor vehicle	6,404,339	631,760
Maintenance of water supplies	1,633,050,275	317,123,087
Drought and flood mitigation	9,199,660	161,879,793
Hydrological surveys	1,090,300	872,190
Project designs	3,950,316	9,163,258
Monitoring and evaluation	23,464,374	12,704,907
Total	1,677,159,264	502,374,995

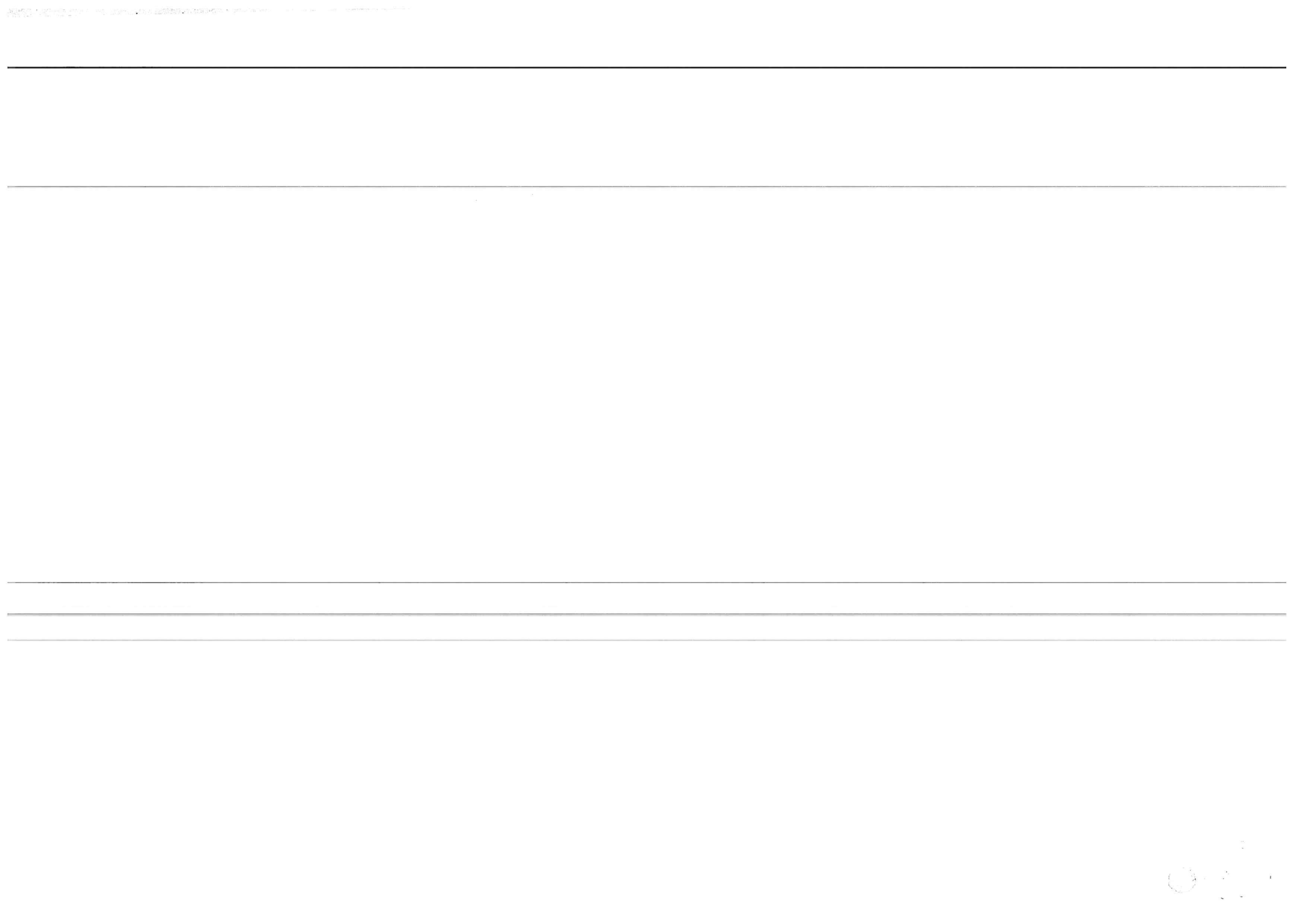
b) Administrative Costs

Particulars	2018/2019 Kshs	2017/2018 Kshs
Local travel	981,660	-
Fuel and lubricants	2,354,825	-
Bank charges	440,838	25,027
Contracted professional services	78,672,225	60,219,961
Foreign travel	1,904,008	1,685,693
Advertising & Publicity	4,475,896	2,187,106
Publishing & Printing	361,390	-
Total	89,190,842	64,117,787

Total NWSB Expenditure (Note 14 (a to b)) 1,766,350,106 566,492,782

Note 15. Cash and cash equivalents

	2018/2019 Kshs	2017/2018 Kshs
Cash in Bank	314,316,721	729,563,212
Cash in Hand	3,223,207	4,234,308
Total	317,539,928	733,797,520





NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019

(Notes to the Accounts continued)

Note 15(a). Detailed analysis of cash and cash equivalents-Banks

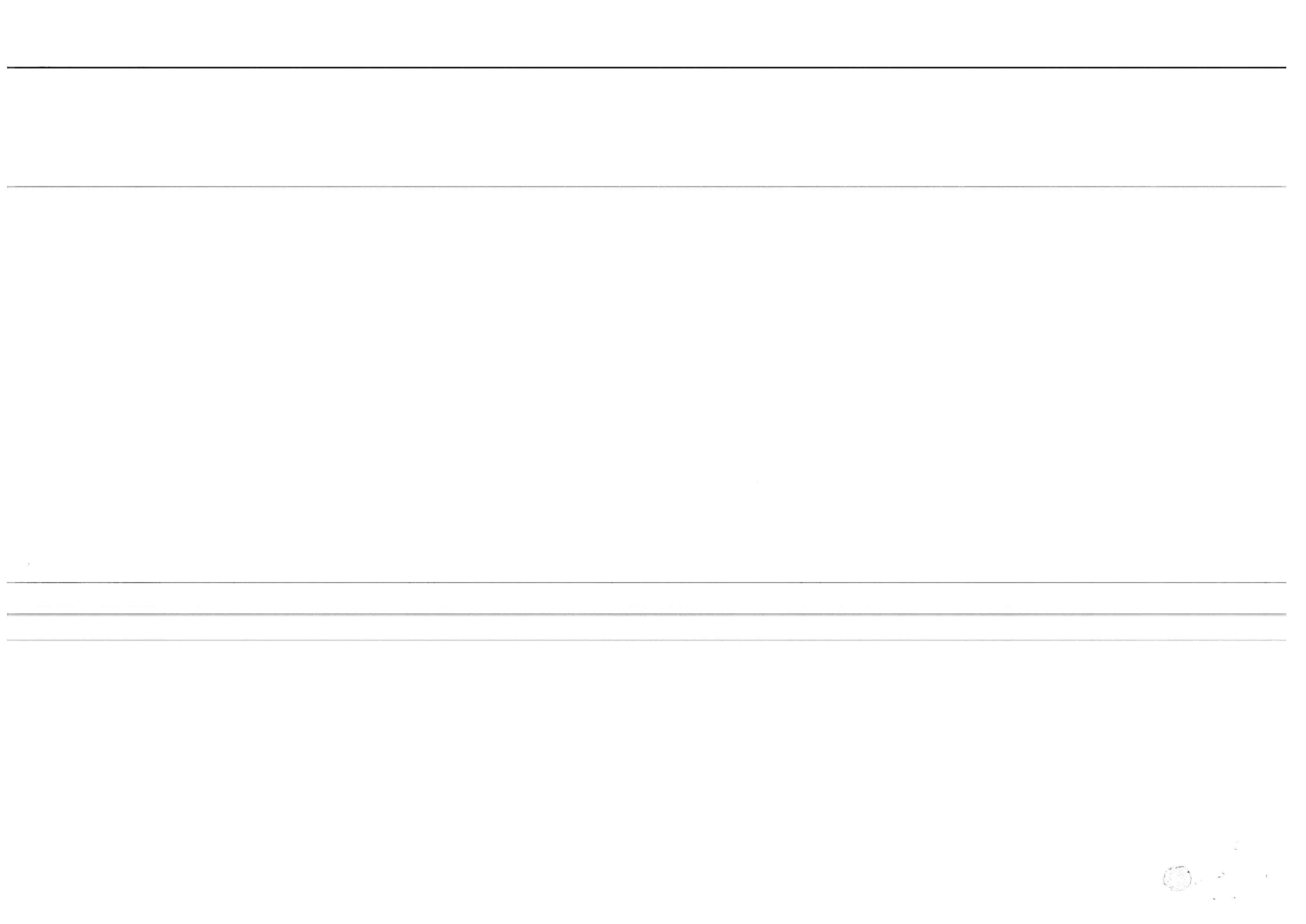
Bank name	Bank Account number	Currency	2018/2019	2017/2018
Kenya Commercial Bank	1107797942	Kshs	14,999,364	4,115,428
Kenya Commercial Bank	1107800056	Kshs	278,118,734	709,113,858
Kenya Commercial Bank	1107800153	Kshs	6,838,364	6,747,731
Kenya Commercial Bank	1118388321	Kshs	156,501	157,566
Kenya Commercial Bank	1132794773	Kshs	11,779	383,816
Kenya Commercial Bank	1208373099	Kshs	14,191,979	9,044,812
Total			314,316,721	729,563,212

Note 15(b). Detailed analysis of cash and cash equivalents-cash on hand

Liquid Cash	2018/2019	2017/2018
1107797942	127,116	1,297,21
1107800056	2,763,006	4,233,011
1208373099	333,085	
Total	3,223,207	4,234,308.21

Note 16 Receivables from non-exchange transactions

	2018/2019	2017/2018
	Kshs	Kshs
Trade Debtors-WSPs	23,880,969	23,880,969
Other Receivables	-	-
Total	23,880,969	23,880,969





NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019

(Notes to the Accounts continued)

Note 17 Property, Plant and Equipment

	Computers and Accessories		Furniture and Fittings		Motor Vehicles		Equipment		Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
As at 01-07-2017	13,586,240	10,408,217	304,744,433	22,847,775	351,586,665				
Additions during the year	285,360	-	-	299,940	585,300				
Disposals during the year	-	-	-	-	-				
As at 30-06-2018	13,871,600	10,408,217	304,744,433	23,147,715	352,171,965				
Additions during the year		677,088	77,898,478	249,000	78,824,566				
Disposals during the year		-	-	-	-				
As at 30-06-2019	13,871,600	11,085,305	382,642,911	23,396,715	430,996,531				
Depreciation as at 01-07-2018	(12,520,500)	(7,327,619)	(256,254,634)	(15,313,496)	(291,416,249)				
Accumulated depreciation on disposal									
Charge for the year	(449,916)	(469,711)	(31,597,069)	(1,010,402)	(33,527,099)				
Total Depreciation as at 30-06-2019	(12,970,416)	(7,797,330)	(287,851,703)	(16,323,898)	(324,943,348)				
NBV as at 30-06-2018	1,351,100	3,080,598	48,489,799	7,834,219	60,755,716				
NBV as at 30-06-2019	901,184	3,287,975	94,791,208	7,072,817	106,053,184				

Note 18. Intangible Assets

Particulars	2018/2019	
	Kshs	
Cost as at 1 July 2018	9,925,160	
Additions during the year		
Cost as at 30 June 2019	9,925,160	
Amortization as at 1 July 2018	7,089,843	
Charge for the year	567,063	
Amortization as at 30 June 2019	7,656,906	
Carrying value as at 30 June 2018	2,835,317	
Carrying value as at 30 June 2019	2,268,254	

Note 19. Trade and Other Payables

	2018/2019	2017/2018
	Kshs	Kshs
Trade Creditors	93,032,907	7,308,554
Staff Creditors	727,610	369,700
OAG -Audit fee	-	550,000
Total	93,760,517	8,228,254





**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019**

(Notes to the Accounts continued)

Note 20. Project Costs (Note 14 a-b)

These are funds utilized in implementation of various projects funded by both GOK and Development partners. These funds were intended to be used for capacity building of rural water supplies, drilling and equipping of boreholes, construction of water pans and rehabilitation and augmentation of urban water supplies and sewerage.

	Source of Funds	OPERATIONAL COSTS		ADMINISTRATIVE COSTS		TOTAL PROJECT COSTS	
		2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	OTHER FUNDS- Donor Funds		-		-		-
	EU GOK Contribution		-	1,065	2,567	1,065	2,567
	Kenya Italy Debt Relief Programme	370,000	-	2,037	2,451	372,037	2,451
	WSTF		36,000	-	2,440	-	38,440
a	BADEA & OFID Equalization funded projects	30,622,311	-	-	-	30,622,311	-
c		1,209,210,373	125,120,014	69,906,000	45,597,450	1,279,116,374	170,717,464
b	GOK FUNDS	436,956,580	377,218,980	19,281,740	18,512,880	456,238,320	395,731,860
(a+ b+c)	Total	1,677,159,264	502,374,994	89,190,842	64,117,788	1,766,350,106	566,492,782





NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019

(Notes to the Accounts continued)

Note 21. Unexpended Grants

These are unutilized project funds which were carried forward to the next financial year and whose period of utilization has not expired.

	2017/2018		2017/2018		2017/2018		2018/2019		2018/2019	
	Source of Funds	Income	Expenditure	Unexpended Grants	Income	Expenditure	Unexpended Grants	Income	Expenditure	Unexpended Grants
	(d)	(e)	(f)=(c+d-e)	(d)	(e)	(f)=(c+d-e)	(d)	(e)	(f)=(c+d-e)	
(a)	Kshs	Kshs	kshs	Kshs	Kshs	kshs	Kshs	Kshs	kshs	
OTHER FUNDS										
EU GOK Contribution	-	2,567	110,531	-	-	-	-	1,065	-	109,466
Kenya Italy Debt Relief Program	-	2,451	383,816	-	-	-	-	372,037	-	11,779
WSTF	-	38,440	(5,319)	-	-	-	-	-	-	(5,319)
BADEA & OFID Direct Payments	-	-	-	-	-	-	30,622,311	30,622,311	-	-
Equalization Funded Projects	710,596,813	170,717,464	539,879,349	886,866,572	1,279,116,374	147,629,547	886,866,572	1,279,116,374	147,629,547	147,629,547
GOK Funds	285,024,736	395,731,860	141,949,903	382,507,250	456,238,320	68,218,833	382,507,250	456,238,320	68,218,833	68,218,833
(a+b+c)										
Total	995,621,549	566,492,782	682,318,280	1,299,996,133	1,766,350,106	215,964,306	1,299,996,133	1,766,350,106	215,964,306	215,964,306

Note 22. Deferred Income

	2018/2019	2017/2018
	Kshs	Kshs
As at 1 July	45,515,845	60,687,793
Received During the Year	77,898,478	-
Total for the year	123,414,323	60,687,793
Transfer to Income (Note 2)	(30,853,581)	(15,171,948)
As at 30 June	92,560,743	45,515,845




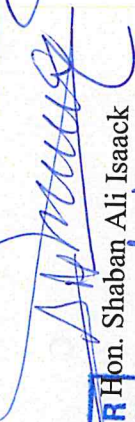


**NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019**

I. 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>Receivables from Non-Exchange Transactions amounting to Kshs.23,880,969</p> <p>Cash and Cash Equivalents- 2.1 Outstanding Temporary imprest of Kshs.1,200,000</p>	<p>Since the enactment of water Act 2016 which placed water companies under county government, we have faced some challenges collecting debts from water companies. This Act also stopped us from collecting water levies from water companies with effect from may 2018. But all in all we have been demanding our debts from them, this we did writing severally to them demanding payment of the debts they owed us.</p> <p>This imprest was issued on 27th June 2018. This was an activity which was to take 30 days and return date from the work ticket was 22/07/2018, hence this imprest was to be surrendered 7 working days from the date of return. So this was not outstanding as at the closure of financial year 2017/18 because the officer and his team were in the field at that time.</p>	<p>Abdikadir Noor Osman –Chief Executive Officer & Andrew Rage-Ag. Finance & Administration Manager</p> <p>Andrew Rage-Ag. Finance & Administration Manager</p>	Not Resolved	
2	<p>Bank Reconciliation Statement- 2.2.1 Recurrent Account.</p> <p>i) Un presented Cheques which are stale cheques amounting to Kshs.10, 775.</p> <p>(ii) Payment in Bank Statement not in Cash Book is an amount of Kshs.40, 282.40 paid to KRA as VAT collections which were debited twice in the bank.</p> <p>2.2.2 Development Account</p> <p>(i) Payments in Cash Book not in Bank Statement (Un presented Cheques) which are stale cheques amounting to Kshs.202, 503.</p> <p>(ii) Payment in Bank Statement not in Cash Book - Included in the payments in bank statement not in cash book is an amount of Kshs.118, 394.70 paid to Commissioner of VAT.</p>	<p>We have written to respective Payees asking for the return of stale cheques for replacement but with no reply. We will now reverse the cheques and update the cash book.</p> <p>We have severally written to the bank to correct the errors of payments debited twice, but they have not yet acted upon it. We will still follow it up to resolve this matter</p> <p>We have written to respective Payees asking for the return of stale cheques for replacement but with no reply. We will now reverse the cheques and update the cash book.</p> <p>We have also severally written to the bank to correct the errors of payments debited twice, but they have not yet acted upon it. We will still follow it up.</p>	<p>Andrew Rage-Ag. Finance & Administration Manager</p> <p>Andrew Rage-Ag. Finance & Administration Manager</p> <p>Andrew Rage-Ag. Finance & Administration Manager</p> <p>Andrew Rage-Ag. Finance & Administration Manager</p> <p>Andrew Rage-Ag. Finance & Administration Manager</p>	Resolved	


 Abdikadir Noor Osman, HSC
 Date27/9/2019.....

 Hon. Shaban Ali Isaack
 Date27/9/2019.....

CHIEF EXECUTIVE OFFICER
 NORTHERN WATER WORKS DEVELOPMENT AGENCY
 P. O. Box 495-70100 GARISSA



NORTHERN WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2019

ENTITY NAME:		NORTHERN WATER WORKS DEVELOPMENT AGENCY		
Break down of Transfers from the Ministry of Water, Sanitation and Irrigation				
FY 2018/2019				
a. Recurrent Grants	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate	
	5-Sep-18	7,083,333	FY 2018/19	
	6-Sep-18	7,083,333	FY 2018/19	
	3-Oct-18	7,083,333	FY 2018/19	
	2-Nov-18	6,941,667	FY 2018/19	
	3-Dec-18	6,941,667	FY 2018/19	
	24-Jan-19	6,941,667	FY 2018/19	
	12-Feb-19	6,941,667	FY 2018/19	
	5-Mar-19	6,941,667	FY 2018/19	
	8-Apr-19	5,241,666	FY 2018/19	
	17-May-19	7,083,334	FY 2018/19	
	4-Jun-19	7,083,333	FY 2018/19	
	27-Jun-19	7,083,333	FY 2018/19	
	Total	82,450,000		
b. Development Grants	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate	
	3-Jul-18	16,130,250	FY 2017/18	
	18-Oct-18	100,000,000	FY 2018/19	
	28-Dec-18	50,000,000	FY 2018/19	
	14-Jan-19	22,000,000	FY 2018/19	
	25-Jun-19	14,377,000	FY 2018/19	
	25-Jun-19	100,000,000	FY 2018/19	
	25-Jun-19	80,000,000	FY 2018/19	
	Total	382,507,250		
c. Equalization Funds	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate	
	3-Jul-18	83,059,657	FY 2018/19	
	3-Jul-18	28,726,373	FY 2018/19	
	3-Jul-18	13,882,277	FY 2018/19	
	3-Jul-18	19,305,590	FY 2018/19	
	3-Jul-18	8,611,549	FY 2018/19	
	3-Jul-18	10,774,878	FY 2018/19	
	3-Jul-18	8,050,140	FY 2018/19	
	3-Jul-18	27,372,694	FY 2018/19	
	3-Jul-18	10,854,690	FY 2018/19	
	3-Jul-18	8,452,170	FY 2018/19	
	5-Jul-18	2,206,900	FY 2018/19	
	5-Jul-18	3,722,904	FY 2018/19	
	5-Jul-18	35,523,281	FY 2018/19	
	6-Jul-18	24,364,570	FY 2018/19	
	13-Jul-18	16,720,699	FY 2018/19	
	24-Jul-18	11,424,746	FY 2018/19	
	24-Jul-18	16,728,952	FY 2018/19	
	24-Jul-18	5,808,061	FY 2018/19	



	24-Jul-18	10,549,159	FY 2018/19
	24-Jul-18	8,397,026	FY 2018/19
	25-Jul-18	4,600,701	FY 2018/19
	25-Jul-18	5,874,490	FY 2018/19
	25-Jul-18	37,338,515	FY 2018/19
	25-Jul-18	3,092,560	FY 2018/19
	25-Jul-18	23,501,763	FY 2018/19
	25-Jul-18	8,397,026	FY 2018/19
	25-Jul-18	8,924,598	FY 2018/19
	25-Jul-18	2,573,907	FY 2018/19
	25-Jul-18	7,162,500	FY 2018/19
	25-Jul-18	5,695,600	FY 2018/19
	25-Jul-18	5,846,977	FY 2018/19
	25-Jul-18	9,394,328	FY 2018/19
	25-Jul-18	3,593,924	FY 2018/19
	20-Dec-18	6,185,120	FY 2018/19
	20-Dec-18	3,169,265	FY 2018/19
	20-Dec-18	11,898,357	FY 2018/19
	20-Dec-18	8,553,696	FY 2018/19
	20-Dec-18	6,717,364	FY 2018/19
	20-Dec-18	17,820,454	FY 2018/19
	20-Dec-18	15,686,509	FY 2018/19
	31-Dec-18	4,362,500	FY 2018/19
	13-Feb-19	9,043,749	FY 2018/19
	8-Mar-19	12,779,395	FY 2018/19
	8-Mar-19	8,955,928	FY 2018/19
	8-Mar-19	4,298,401	FY 2018/19
	8-Mar-19	36,976,030	FY 2018/19
	8-Mar-19	17,628,404	FY 2018/19
	20-Mar-19	6,718,168	FY 2018/19
	20-Mar-19	10,161,600	FY 2018/19
	18-Apr-19	6,819,227	FY 2018/19
	19-Apr-19	9,219,671	FY 2018/19
	20-Apr-19	3,049,779	FY 2018/19
	21-Apr-19	21,840,974	FY 2018/19
	8-May-19	33,128,440	FY 2018/19
	13-May-19	3,825,564	FY 2018/19
	13-May-19	38,649,984	FY 2018/19
	13-May-19	22,522,899	FY 2018/19
	19-Jun-19	6,874,098	FY 2018/19
	19-Jun-19	4,712,268	FY 2018/19
	19-Jun-19	6,329,606	FY 2018/19
	19-Jun-19	9,781,633	FY 2018/19
	19-Jun-19	18,489,540	FY 2018/19
	27-Jun-19	5,089,616	FY 2018/19
	27-Jun-19	35,045,129	FY 2018/19
	Total	886,866,572	

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



Abdikadir N. Osman, HSC
Chief Executive Officer
Date 27.19.2019.



CPA Andrew Rage Eysimkele
Ag. FAM
Date 27.19.2019

CHIEF EXECUTIVE OFFICER
NORTHERN WATER WORKS
DEVELOPMENT AGENCY
P. O. Box 495-70100 GARISSA

