

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
DATE: 10 NOV 2022 Thurs - Afternoon
OF
Hon Kimani Ichungira, MP
Leader of majority
Samuel Kalama

THE AUDITOR-GENERAL

ON

**TANATHI WATER WORKS
DEVELOPMENT AGENCY**

**FOR THE YEAR ENDED
30 JUNE, 2021**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

08 MAR 2022

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TANATHI WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE 2021

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

**Tanathi Water Works Development Agency
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1. KEY AGENCY INFORMATION AND MANAGEMENT

(a) Background information

Tanathi Water Works Development Agency (TAWWDA) is a State Corporation established by Legal Notice No. 27 dated 26th April, 2019 and under Section 65(1) of the Water Act, 2016 replacing Tanathi Water Services Board which had been established under the Water Act, 2002. At cabinet level, the Agency is represented by the Cabinet Secretary for Water, Sanitation and Irrigation who is responsible for the general policy and strategic direction of the Agency.

(b) Principal Activities

Vision

Universal access to adequate, clean & safe water and sanitation.

Mission

To develop, maintain and manage national public water and sanitation infrastructure within the Agency's area of jurisdiction to achieve sustainable socio-economic development.

The Agency's principal activities are to;

- i. Undertake the development, maintenance and management of the national public water works within its area of jurisdiction (Kitui, Machakos, Makueni & Kajiado Counties);
- ii. Operate the water works and provide water services as a water service provider, until such a time as responsibility for the operation and management of the waterworks are handed over to a county government, joint committee, authority of county governments or water services provider within whose area of jurisdiction or supply the waterworks is located;
- iii. Provide reserve capacity for purposes of providing water services where pursuant to section 103 of the Water Act, 2016, the Regulatory Board orders the transfer of water services functions from a defaulting water services provider to another licensee;
- iv. Provide technical services and capacity building to such county governments and water services providers within Kajiado, Makueni, Kitui and Machakos counties;

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- v. Provide to the Cabinet Secretary technical support in the discharge of his or her functions under the Kenyan Constitution 2010 and the Water Act, 2016.

(c) Key Management

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

- The Board of Directors
- The Chief Executive Officer
- The Senior Management including:
 - Chief Manager-Infrastructure Development
 - Chief Manager-Corporate Services
 - Manager, Supply Chain Management
 - Manager, Internal Audit
 - Manager, Legal Services & Corporation Secretary

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Fredrick Tito Mwamati (P. Eng. Tech.)
2.	Chief Manager-Corporate Services	CPA Dennis K. Mulu
3.	Ag. Chief Manager-Infrastructure Development	Francis Kyalo Siva
4.	Manager, Supply Chain Management	Lamet K. Maika
5.	Manager, Legal Services & Corporation Secretary	Ronald N. Oyagi
6.	Manager, Internal Auditor	Alexander K. Nyamai

(e) Fiduciary Oversight Arrangements

- Audit, Risk Management and Governance Committee of the Board of Directors
- Finance, HR and General-Purpose Committee of the Board of Directors

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- Technical, Monitoring and Evaluation Committee of the Board of Directors
- Corporate Planning and Strategic Planning Committee of the Board of Directors
- Inspector-General (Corporations)
- Water Services Regulatory Board
- Development partner oversight activities
- Ministry of Water, Sanitation & Irrigation
- The National Treasury and Planning

(f) The Agency's Headquarters

KIDP Building, Kalawa Road
Private Bag
KITUI, KENYA

(g) The Agency's Contacts

Telephone: (+254) 712-351104
E-mail: tanathiwsb@gmail.com / info@tanathi.go.ke
Website: www.tanathi.go.ke

(h) The Agency's Bankers

1. Kenya Commercial Bank
Kitui Branch
P.O Box 683 – 90200
KITUI
2. Co-operative Bank of Kenya Limited
Kitui Branch

(i) Independent Auditors

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

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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




2. THE BOARD OF DIRECTORS

The Board of Directors who served during the financial year 2020/2021 are as below:



Ref	Directors	Details
1.	 <p>Kakuta Ole Maimai <u>Academic & Professional Qualification</u></p> <ul style="list-style-type: none"> ➤ Bachelors of Arts Degree in Political Economy from The Evergreen State College in Olympia Washington ➤ Master's Degree in International Development from the School for International Training (SIT) in Brattleboro Vermont, USA. 	<p>Kakuta Ole Maimai (Chairman) was appointed as Board chairman of Tanathi Water Works Development Agency for a period of three years with effect 7th February, 2019.</p> <p>He has great working experience with various organizations as Director and a Coordinator, both locally and internationally. He is knowledgeable in international trade & investment and international development.</p> <p>These professional qualities and the skills acquired from working locally and abroad makes him an effective Chairman and team player in Tanathi Water Works Development Agency.</p>
2.	 <p>Kiema Mwandia <u>Academic & Professional Qualification.</u></p> <ul style="list-style-type: none"> ➤ University of Nairobi-Masters in Project Planning and Management (MPPM) - 2012 ➤ University of Nairobi-Bachelor of Science in Agriculture-1991-1996: <p>Professional Associations Membership:</p> <ul style="list-style-type: none"> ➤ Kenya Association of Project Managers Member No. 131 <p>Institute of Directors (Kenya) Member No. 0719</p>	<p>Director Kiema Mwandia (Independent Director) was born on 23rd April, 1973. He was appointed as director of Tanathi Water Works Development Agency for a period of three years with effect 7th February, 2019.</p> <p>During the period ended 30th June, 2021 he served as the Chair-Finance, HR and General-Purpose Committee and a member of Technical, Monitoring and Evaluation Committee of the Board.</p> <p>He has a very wide experience as a consultant in strategy, business plans and budgeting. He has served as a seasoned director of various institutions in water and higher education sectors including Alupe University College (AUC), Embu University College (EUC), Water Services Trust Fund (WSTF) besides having served in various capacities as a civil servant.</p> <p>He is also the managing director of Adteck Creations Limited and Managing Partner of Caritas Kitui</p>

<p>3.</p>	 <p>Mukina Kivuvani Maingi <u>Academic & Professional Qualification</u></p> <ul style="list-style-type: none"> ➤ 1983 - Morris School of Hairdressing - Tottenham Court Rd. London England Diploma: - World Federation of Supreme Hairdressing, Afro/European ➤ 1984 London Institute of Beauty Culture - Tottenham Court Rd. London England Diploma: - London Institute of Beauty Culture in Beauty Culture /Therapy ➤ 1985 Morris Advance Master C London/Tottenham Court Rd. L England Advance Diploma: - federation of Supreme Hairdressing ➤ 1993 Dudley's Cosmetology University - North Carolina, U.S.A 1991 T.C.B. Alberto Culver - Chicago U.S.A Certificate: - T.C.B Educator - 3 months ➤ 1993 Dudley's Cosmetology Uni - North Carolina, U.S.A 	<p>Director Mukina kivuvani Maingi (Independent Director) was appointed as director of Tanathi Water Works Development Agency on 7th February, 2019.</p> <p>During the period ended 30th June, 2021 he served as Chair of the Corporate Planning & Strategic Management Committee and a member of Audit, Risk Management and Governance Committee of the Board.</p> <p>She has a wealth of experience in cosmetology and beauty therapy having worked as a Spa Consultant at Fairmount Mount Kenya Safari Club, International Institute of Cosmetology School/Consultancy, Windsor Golf Hotel and County Club as Health Club Consultant/Manager and P.Z Cusson Company Kenya Consultant as Product Ambassador</p>
<p>4.</p>	 <p>Titus Mavuui Ngumu <u>Academic & Professional Qualification.</u></p> <ul style="list-style-type: none"> • Masters of Project Management with Distinction (MPM) from RMIT UNIVERSITY (Royal Melbourne Institute of Technology university) - AUSTRALIA) :- 2008-2009 <p>Bachelor of Arts. (Second Class Upper Honours-Sociology, Business Studies</p>	<p>Director Titus Mavuui Ngumu was appointed as director of Tanathi Water Works Development Agency on 7th February, 2019.</p> <p>During the period ended 30th June, 2021 he served as chair Audit, Risk Management and Governance Committee and member of the Corporate Planning & Strategic Management Committee of the Board.</p> <p>He has a wide experience in public, private and the financial sector where he serving in various capacities at Stanbic Bank Ltd and formerly Equity Bank.</p> <p>He is also a managing partner at International Centre for Participatory</p>



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	and Mathematics), Kenyatta University, 1996 - 2000.	Health & Environmental Research (ICPHER)
5.	 <p>The Late. Hon. Richard Kalembe Ndile Academic & Professional Qualification.</p> <ul style="list-style-type: none"> ➤ 2012: Cambridge association of managers- advanced diploma in Business. ➤ 2011: Kenya institute of Governance- certificate in collaborative leadership 	<p>Hon Richard Kalembe Ndile (Independent Director), was appointed as director of Tanathi Water Works Development Agency on 7th February, 2019.</p> <p>During the period he served as a director, he served as he served as the Chair Technical, Monitoring and Evaluation Committee and a member of the Finance, HR and General-Purpose Committee of the Board until his demise in May, 2021.</p> <p>He was a political leader, community mobilizer, a committed public transformative servant & a human rights defender for the landless. He served as Member of Parliament (MP) for Kibwezi between the year 2002 and 2007, Assistant Minister, Ministry of tourism and wildlife (from 2006-2008) and Party founder and leader of the independent party (Tip) between 2006 and 2016.</p>
6.	 <p>Agnes Kavindu Muthama Academic & Professional Qualification. Bachelor degree in Associate Biblical Studies</p>	<p>Agnes Kavindu Muthama (Independent Director), was appointed as director of Tanathi Water Works Development Agency on 7th February, 2019. She exited on 29th December, 2020 to contest for Machakos Senatorial bye-election.</p> <p>During the period she was a director, she served as both a member of the Technical, Monitoring and Evaluation Committee and Corporate Planning & Strategic Management Committee of the Board.</p> <p>She is an ordained church minister.</p> <p>She also has a wide experience in community development and community mobilization. Director Agnes Kavindu served as a member of the Building Bridges initiative (BBI).</p>
7.		<p>Director Daniel Mogusu was appointed, as Representative, PS, Ministry of Water & Sanitation and Irrigation on 28th June, 2018.</p> <p>During the period ended 30th June, 2021 he served he served as both a member of the Technical, Monitoring and Evaluation</p>

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	<p>Daniel Mogusu <u>Academic & Professional Qualification.</u> University of Nairobi 2009 – 2011 MA (Masters in International Conflict Management) University of Nairobi 1985 – 1988 Bachelor of Science, Hons (Geology).</p>	<p>Committee and Finance, HR and General-Purpose Committee of the Board.</p> <p>He has a very wide experience in the water sector having served in the sector at different capacities. Currently he is the Head of Surface Water and Hydrology, Ministry of Water, Sanitation and Irrigation</p>
8.	 <p>David Komen <u>Academic & Professional Qualification.</u></p> <ul style="list-style-type: none"> ➤ BA (Economics)- University of Nairobi, ➤ Msc (Economic Development & Planning)- University of Bradford, UK. ➤ Post Graduate Diploma in HR, UK. 	<p>Director David Komen was appointed as the PS. Representative, The National Treasury & Planning on 30th September, 2019.</p> <p>During the period he was a director of the Agency, he served as both a member of the Finance, HR and General-Purpose Committee and the Audit, Risk Management and Governance Committee of the Board.</p> <p>He is a Career Civil Servant with over 25yrs experience in Finance, project planning & management. Currently, he is also an Alternate Director in KEMRI and Technical University of Kenya, Kerio Valley Development Authority.</p> <p>Director David Komen was replaced PS. Representative, The National Treasury & Planning by Director Eric Kimutai Korir on 28th January, 2021.</p>
9.	 <p>Eric Kimutai Korir <u>Academic & Professional Qualification.</u></p> <ul style="list-style-type: none"> ➤ Bachelor of Arts Degree from the University of Nairobi, ➤ Master of Business Administration in Strategic Management from Moi University ➤ Diploma in Supply Chain Management from the Chartered 	<p>Eric Kimutai Korir is a member of TAWWDA Board of Directors representing the CS, Ministry of The National Treasury & Planning.</p> <p>He joined Tanathi WWDA on 28th January, 2021 as a Board member replacing Director David Komen.</p> <p>During the period under review, he served as both a member of the Finance, HR and General-Purpose Committee and the Audit, Risk Management and Governance Committee of the Board.</p> <p>Eric Korir is a seasoned Supply Chain Management practitioner with over 25 years' experience in both the public and private sector. He is currently the Director of Public Procurement at the National</p>

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	<p>Institute of Purchasing and Supply (UK).</p> <p>➤ He is a member of the Chartered Institute of Purchasing and Supply, Kenya Institute of Supply Management and the Institute of Transport and Logistics (UK).</p>	Treasury handling Policy, Research, Legal and Technical matters in the Public Sector Procurement for both National and County Governments.
10.	 <p>Fredrick Tito Mwamati (P. Eng. Tech.)</p> <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> • MSc. (Water Resources Management) • MBA(Strategic Management) • HND (Building & Civil Engineering) • Diploma in Water Technology 	Chief Executive Officer
11.	 <p>Ronald Nyakweba Oyagi</p> <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> • Master of Laws (LLM) • Bachelor of Laws(LLB) <p>Post Graduate Diploma in Laws</p>	Manager, Legal Services & Corporation Secretary

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3. MANAGEMENT TEAM

Ref	Management	Details
1.	 <p>Fredrick Tito Mwamati (P. Eng. Tech.) <u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> • MSc. (Water Resources Management) • MBA(Strategic Management) • HND (Building & Civil Engineering) • Diploma in Water Technology • He is a registered Engineer with KETRB. 	Chief Executive Officer
2.	 <p>Francis Kyalo Siva</p> <p><u>Professional/ Academic Qualification</u></p> <ul style="list-style-type: none"> • BSC (Water & Environmental Engineering) • He is a registered Engineer with KETRB. 	Ag. Chief Manager- Infrastructure Development
3.	 <p>CPA. Dennis Kiilu Mulu <u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> • MBA (Finance), • BA(Economics), • He is a registered member of ICPAK-CPA(K) 	Chief Manager- Corporate Services
4.	Ronald Nyakweba Oyagi	Manager, Legal Services & Corporation Secretary

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	 <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> • Master of Laws (LLM) • Bachelor of Laws(LLB) • Post Graduate Diploma in Laws • He is registered advocate with Law Society of Kenya (LSK) 	
5.	<p>Lamet Kimirei Maika</p>  <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> • Master's in Business Administration • Bachelor of Business Administration • CIPS Level 6 • Graduate Diploma in Purchasing and Supply Chain Management • He is registered member of Kenya Institute of Supply Chain Management (KISM) 	Manager, Supply Chain Management
6.	<p>Alexander Kingawi Nyamai</p>  <p><u>Professional/ Academic Qualification.</u></p> <ul style="list-style-type: none"> • Bachelor of Commerce (Finance Option) • CPA Part III Section 5 • He is a registered member of Institute of Internal Auditors of Kenya 	Manager, Internal Auditor

4. CHAIRMAN'S STATEMENT

It is with great pleasure that I am taking this opportunity to share our successes and challenges throughout our journey of responsibility for the just ended financial year 2020/2021 for our Agency. Tanathi Water Works Development Agency is established in terms of the provisions of the Water Act, 2016 to enable the Government achieve its vision of ensuring access to safe and clean water to all as enshrined in the Article 43 (1)(d) of the Constitution of Kenya. This right requires Government to take legislative, policy and other measures, including setting of standards, to achieve the progressive realization of the rights guaranteed under Article 43 of the Constitution of Kenya.

I thank all the stakeholders for their commitment in service delivery despite the challenges brought in by Covid-19 pandemic. Special thanks to my fellow Board of Directors members who despite holding the meeting virtually, they were able to deliver on their mandate. Special thanks to the Board and the management for the exemplary performance in the Performance contract for 2018/2019FY. Despite challenges in exchequer disbursement for 2020/2021FY and more so with the budget cuts during the year, the Agency did the best it could to ensure continued service delivery to the citizens we serve.

Article 43 of the Constitution of 2010 encapsulates access to water as a constitutional right. The constitutional obligation towards realization of this right is embodied in Article 21, which requires government to take steps to progressively realize this right. Articles 6, 174, 175 and 176 create a system of devolved government with a two-tier system of government comprising of the national and county government. The responsibility to manage water resources is retained by national government, but the responsibility for provision of water supply and sanitation services is vested on county governments. The 'public investment' function is the responsibility of national government while the county government is responsible for water provision.

With the support of our stakeholders **Africa Development Bank, Italian Government, World Bank and Belgium Government and GoK**, we have been able to achieve substantial progress in our water infrastructure development and water services provision to our citizens. During this financial year, we have achieved a lot in terms of project implementation to ensure optimal access to water with a view of ensuring universal access to water with time.

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SIGNED BY:

KAKUTA OLE MAIMAI



CHAIRMAN

Date.....04/02/2022

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

It is with great gratitude I recognize different stakeholders including Agency Directors, Members of staff, The Ministry of Water & Sanitation, The National Treasury & planning, County Governments of Kitui, Makueni, Machakos & Kajiado and Development Partners who played a great role in helping Tanathi WWDA achieve a lot in terms of its mandate. The Agency is engaged in a function which is enshrined in the Constitution of Kenya 2010. The agency's specific mandate of developing sustainable water and sewerage infrastructure in the four counties of Kitui, Machakos, Makueni and Kajiado is drawn from the Water Act 2016. The agency therefore plays a key role in the achievement of Kenya's Vision 2030 in provision of water which is an enabler to the big four agenda projects within its area of operation.

Projects Implementation Report

During the year under review, the agency continued with the implementation of the previous year's projects funded by both GoK and development partners i.e. African Development Bank (AfDB) and Kenya Italy Debt for Development Programme (KIDDP) with new projects also being started as follows: -

i) Mavoko Drinking Water Supply Project

The project is funded by Belgium Government at a cost of Kshs 2.8 billion. The project scope includes; independent line from Nairobi Water Company, rehabilitation of Nol- Turesh pipeline and Lukenya tank, construction of new treatment plant and reticulation system within Mavoko municipality, rehabilitation of the existing system, de-silting and augmentation of KMC and Portland dams. The project is expected to serve over 300,000 people with clean water upon completion. By the close of the year the project was at 98% completion rate.

ii) Masinga-Ikaatine-Ekalakala Water Supply Project.

The project which is fully funded by GOK at a cost of Kshs 270 million. The 1st and 2nd phase of the project are complete. Phase 1 involved laying of 21 km gravity distribution main, construction of 200m³ ground masonry tank, Construction of 4 No water kiosks, construction of 50m³ water sump and booster station for the Masinga-Ekalakala line while phase 2 (Kaewa – Kangonde) involved construction of 2No water kiosks, 100m³ tank, Booster station and 50m³ tank, 50m³ elevated steel tank at Kanyonyo . The project will serve 36,000 residents of Masinga Sub- County with clean drinking water. Phase 3 of the project (Matuu Water Supply component) is ongoing.

iii) Thwake Multi-Purpose Dam

The Agency carried out initial project design, ESIA and RAP. These activities were completed in the year 2016 and the Ministry took over the procurement of Supervising Consultant, Contractor and the subsequent implementation. The project is at an advanced stage of implementation.

iv) Kenya Towns Sustainable Water Supply and Sanitation Programme (KTWSSP)

a. Machakos Water Supply Project

This is a project financed by AfDB in Machakos town to serve 260,000 people. The Project entails; Construction of Miwongoni 15m high Earth fill Weir of storage capacity 2.0Mm³ and 600m DN 600mm raw water gravity main, Construction of Miwongoni water treatment works of capacity 10,000m³/d, 18km long rising main steel pipelines, 2 No storage tanks of capacity 5,000m³ at Katelembu and 1,000m³ at Kiima Kimwe, 40km Gravity water transmission and distribution pipelines diameters 63-315mm within Machakos town, 10No. Boreholes (drilling and equipping) and rehabilitation of 5No. existing boreholes, rehabilitation of existing water treatment plant at Maruba and water supply networks, construction of 3,000 domestic water connections.

The project commenced on 2nd July 2019 and the Contractor was fully mobilised but the works was stopped by a court injunction due to an application made by residents at the Miwongoni Dam site. The court injunction which previously interdicted project works has been lifted and the works are already ongoing.

b. Machakos Sewerage Project

This is a project financed by AfDB in Machakos town to serve 50,000 people. The Project entails; construction of 1 No. wastewater treatment plant capacity 12,500m³/day along River Ikiwe (trickling filter treatment system), Laying of 60km trunk and lateral Sewer lines within Machakos Town and Environs, Rehabilitation of the existing sewer networks within Machakos Town, Construction of 4 No. Sanitation blocks, carry out 2,000 individual sewer connections. The project commenced on 15th July 2020 and is to take a period of 18 months. The works are ongoing.

c. Mwala Cluster Water Supply Project

This project is funded by Government of Kenya and AfDB at a cost of Kshs 583 million. The project scope involves; New intake weir on river Ndarugu with a 4.8km raw water main to a new Water Treatment Works at Kyeleni in Yatta /Matungulu area with a capacity of producing 6,600 m³/day of water. Pumping units and pipeline works of over 60km, and 4 No. water storage tanks of various capacities, Expansion of Mwala water supply to cover Mwala, Mbiuni, Masii and Kabaa markets.

The project commenced on 1st April 2019 and is expected to take a period of 18 months. The works are ongoing.

d. Last Mile Connectivity for Matuu, Kitui and Wote Towns

The Agency through a funding from African Development Bank is undertaking last mile connectivity for Matuu, Kitui and Wote towns which comprises:

Matuu - (New water treatment plant of capacity 4,000m³/day with solar power, New raw water main (3.5km), Rising main (1.1km), Gravity main (27km) and distributions mains (10km); 1 No. Elevated steel tank (108m³) and 1 No. Ground masonry tank (225m³); 1,500 No. consumer water connections;

Kitui - Rehabilitation works on existing water treatment plant and transmission pipelines; New water distribution pipelines (40km); 5 No. water kiosks with 5000 litres overhead plastic tanks; 5 No. boreholes and with 5 No. elevated steel tank at each borehole (48m³); 4,000 No. household consumer connections; New collector sewers (40km) and sewer rehabilitation works;

Wote - New water treatment plant of capacity 2,000m³/day with solar power; Raw water main (1.5km), rising main (6.5km) and distribution pipelines (30km); New water storage tank (150m³); 1,000 No. consumer water connections, 5 No. boreholes with 5 No. elevated steel tanks at each borehole (48m³);

The project commenced on 11th March 2020 and the Contract period is 18 months. The works are ongoing.

v) Yatta Dam

The project was initiated to provide sustainable water for irrigation along the Yatta canal throughout the year even during the dry periods. Most of the land has been acquired and compensation done. The Agency is also waiting for funding from the Ministry to implement the project.

vi) Kiambere- Mwingi Water and Sanitation project

The project is funded by Italian Cooperation and the Works will involve; Floating intake works, 800m raw water raising main, 4,200m³/d treatment works, 18km rising main, 800m³ storage tank, 12 No. storage tanks of various capacity, 95km distribution lines to kimangau, Kyuso, Gai, Kaste up to Tseikuru town and Sewerage works in Mwingi town. The project will benefit over 160,000 people with clean water and 25,000 people with sewer system in Mwingi town and sanitation blocks in North sub-counties.

Process for disengagement of the initial Contractor is still ongoing. A Water Expert recruited by the Agency to repackage the works and prepare Bid documents for recruitment of a new Contractor

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has finalised his work and the project will be re-advertised once the Agency gets a “No Objection” to do so from the financier-Italian Corporation.

vii) Migwani Water Supply Project

The project is funded by KIDDP to serve 15,000 people and involves Drilling of 1 No. Boreholes and Equipping of 1 No. Borehole Construction and laying of a 22 Km pipeline and 3 water tanks. The project cost is KSHs 100 million. The project is complete and operational. During the financial year 2020/2021, the Agency finalized the solarization of the project to make the project more efficient and cut on electricity cost.

SIGNED BY:



Fredrick T. Mwamati (P.Eng. Tech)

CHIEF EXECUTIVE OFFICER

Date...04/02/2022.....

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**6. STATEMENT OF TANATHI WATER WORKS DEVELOPMENT AGENCY
PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021**

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

TAWWDA has six strategic pillars (Key Result Areas) and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Water Coverage;

Pillar 2: Sanitation Coverage;

Pillar 3: Resource Mobilization;

Pillar 4: Human Capital Capacity;

Pillar 5: Information Communication Technology Capacity;

Pillar 6: Governance, Legal and Institutional Framework.

TAWWDA develops its annual work plans based on the above six pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The TAWWDA achieved its performance targets set for the FY 2020/2021 period for its six strategic pillars, as indicated in the diagram below:

Strategic Pillar (KRA)	Strategic Objective	Key Performance Indicators	Activities	Achievements
Water Coverage	1. Increase 36.4% in the year 2017 to 57.8% by the year 2022. water coverage from	No. boreholes drilled and equipped	18No. Drilled and equipped boreholes	Increased access to water from 38% to 42%
		No. of water works	Treatment works 12,000m ³ /day, 23 KM water pipeline, 2No. storage tanks. Project is at 90% complete. (Mavoko Water Supply Project)	
		No. of Km. of pipeline extension works; No. of water kiosks and storage tanks constructed.	Extention of a 20KM water pipeline, construction of 5 No kiosks and storage tanks. The project is at 75% complete (Kiambere-Mwingi water supply last mile connectivity)	

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		No. of rehabilitated water supply works.	Rehabilitation of Nzai tank and fittings is at 100% complete (Rehabilitation of Nol-Turesh water supply)	
		No. of Km. of water pipeline works; no. of water kiosks constructed.	Construction of 21km pipeline; construction of a 50m ³ storage tank; Construction of 2No kiosks (Kaewa – Kangonde) Project is at 100%	
		No. of water dams rehabilitated.	Rehabilitation of 5 No small dams with 20,000m ³ capacities each(Kitambasya, Ngengeka Rehabilitation, Muambani, Mailwa, Projects are 100% complete.	
Sanitation Coverage	Increase sewerage coverage from 11% in the year 2017 to 26.9% by the year 2022	Last-Mile Connectivity of Kitui town sewerage	Construction of laterals Rehabilitation of Trunk sewers. Project is at mobilization stage.	Increased sewerage coverage from 16% to 17%
	Increase sanitation coverage from 74.5% in the year 2017 to 92.9% by the year 2022.	No. of sanitation facilities	Construction of sanitation blocks	Increased sanitation services from 62% to 64%
Resource Mobilization	Increase funding base from Kshs4 Billion to Kshs 20.129 Billion to spur implementation of this Strategic Plan by the year 2022.	No. of MTEF reports and an annual budget	Participating in MTEF and annual budgeting process (costing of programmes and projects); submission of budget estimates to National Treasury.	The Agency mobilized Kshs. 714,486,283 from the National Treasury The Agency mobilised Kshs. 885 Million from donors for development projects
Human Capital Capacity	Improve Human Capital Management to	Reviewed performance management systems	Reviewing performance management systems	The system has been installed, training of end users ongoing

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	enhance Performance			
		Number of Youth engagements	Enhancing Youth Employment	27No. Youth engaged as attachees and interns
		No. of Human Capital management policies developed/reviewed.	Developing and or reviewing Human Capital management policies	4No. Draft Human Capital management policies available awaiting approvals. 2No. policies approved for implementation.
		Number of staff trained	Strengthening Human Capital development	5No. Staff under various categories were trained for various courses
		No. of reports	Enhancing Knowledge management	Report on data and Knowledge management developed and cascaded to all cadres
		Conducive environment	Improving work environment	Improved on more working space that had been earlier on occupied by the officers under the Kitui County Government; Engaged a contractor for provision of sanitary services
Information Communication Technology Capacity	To increase use of Technology by continuous investment in Information Management System (IMS) and ICT infrastructure to have Agency's operations fully automated by the year 2022.	No. of Enterprise Resource Planning (ERP) progress reports.	Installation of integrated system to automate all the Agency's operations	Installation of ERP modules (Finance & Accounts, HR & Payroll, Project Management and Supply Chain) at 70%.
		No. of ICT equipment purchased and installed.	Enhancing ICT infrastructure	Continous repairs and maintenance of ICT hardware.
		No. of repairs and maintenance contracts	Enhancing ICT security	Renewed anti-virus; License available;

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				Continuous data backups.
Governance, legal and institutional framework	Strengthen leadership and governance for efficient and effective delivery of services.	No. of appointment letters; No. of Progress reports;	Appointment of project/contract implementation units/teams.	4no. CITs appointed 4no. Quarterly reports
		No. of Appointment letters; No. of Progress reports	Appointment of M&E teams	Quarterly M&E and annual progress reports done.
		No. of training reports	Enhanced institutional integrity and measures	Trainings done by EACC on integrity and anticorruption
		Compliance reports	Ensure statutory and regulatory compliance	All stutory deductions were done and remitted to various institutions



7. CORPORATE GOVERNANCE STATEMENT

BOARD COMMITTEES

Tanathi Water Works Development Agency is a State Corporation established by Legal Notice No. 27 dated 26th April, 2019 and under Section 65(1) of the Water Act, 2016 replacing Tanathi Water Services Board which had been established under the Water Act, 2002, as part of the Water Sector reforms that aimed at improving Water Services delivery through decentralisation of water infrastructure development and water services delivery towards achieving efficiency and economy in water services delivery.

The Agency is created as a juristic entity with all the attributes of a legal personality and stated off in the financial year 2018/2019 with 8 directors. The current Board of Directors were appointed on 7th February 2019 and assumed office on 3rd May 2019. The Directors included 6 gazetted directors and two directors who are appointed vide a letter as representatives from the Ministries of Water Sanitation and Irrigation, The National Treasury & Planning, and a Representative from the Inspector General of State Corporation (in attendance).

The Board of Directors is constituted of the full Board and its committees of Technical, Monitoring and Evaluation, Finance, Human Resource & General Purpose, Strategic Planning Committee and the Audit, Risk and Governance Committee. The purpose of these committees is to ensure that issues presented before the board have been interrogated by the relevant committee and are fit for board consideration before any informed decision making at the full board level.

In line with the Ministry of Health protocols on fight against Covid-19 and as guided by the State Corporations Advisory Committee (SCAC), all the Board meetings were conducted online except for the Board chair who was allowed to attend physically. The Board meetings were in line with the approved almanac including quarterly committee and full board meetings. All meetings attended were on due notices and agenda having been previously issued within the statutory timelines and there was quorum in all meetings. The number of meetings held was within the permissible statutory number as embodied in the law.

In line with the Mwongozo guidelines on enhancing Corporate Governance, during the financial year 2020/2021, the Board was trained on Corporate Governance and Risk Management by the Kenya School of Government and attended by all board of directors and the Agency's senior management.

The Agency kept a register on conflict of interest, the purpose of the register on conflict of interest, is to manage any such conflict of interest as and when it arises. To clarify, which areas such a conflict of interest will be unacceptable and which areas such a conflict is managed. Most

importantly, the register is to record conflict of interest declarations. Sadly, the Board lost one of its directors Hon. Richard Kalemebe Ndile who passed on in May, 2021 after a long illness.

Board remuneration was done in accordance with the relevant treasury circulars on Board remuneration and allowances. Board remuneration amounted to Ksh 13.45 million during the financial year and all remunerations and allowances were paid in accordance with the law and in line with SCAC guidelines issued from time to time.

The Board has conducted its business with integrity levels that have been beyond reproach under the leadership of the chairman, Mr. Kakuta Ole Maimai and so far at the Board level, there has been informed decision based on board papers presented before the Board for any decisions and recommendations of the Board.

Functions of Board's Committee include:-

Technical, Monitoring & Evaluation Committee

The Technical Committee has the oversight responsibility of ensuring the Management of Tanathi Water Works Development Agency implements Water Supply Infrastructure in line with the laid down procedures and there is value for money. Tanathi Water Works Development Agency being an asset owner, the Committee ensures that there is adequate asset development maintenance and infrastructure improvement to ensure sustainability of all water infrastructures.

Finance & General-Purpose Committee

The Finance Committee is the overseer of the financial reporting process and the Board's Internal Control. The Committee is also responsible for efficient allocation and utilization of resources, proposing investment and funding for the Board. The Committee is also responsible for general and human resources issues of the Board. To this extend, the committee ensures that the Board hires the right staff, at the right place and guarantee staff welfare. Other terms of reference include; Procurement, Finance and Information Communication and Technology Policy Manuals.

Corporate Planning & Strategic Management Committee

The strategic planning committee has the oversight responsibility of directing the Board strategically and planning the future direction of the board. The Committee ensures the operations of Board are in line with the strategic plan, performance contract and the government blue print of the vision 2030.

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Audit, Risk & Governance Committee

In order to promote good corporate governance and as per the requirement of the PFM, Act 2012 and Public Audit Act, 2015 Tanathi Water Works Development Agency constituted an Audit, Risk & Governance Committee. The committee is charged with the role of monitoring on behalf of the board, the effectiveness of the processes in force with particular focus on: -

Safe guarding the assets

- Scope and effectiveness of the internal controls
- Preparation and audit of the annual financial statements
- Compliance with all applicable regulatory requirements and Accounting Standards.

8. MANAGEMENT DISCUSSION AND ANALYSIS

Tanathi Water Works Development Agency has continued to adhere to PFM Act, 2012, Public Procurement and disposal act, 2015, The National Treasury & Planning circulars issued from time to time, Water Act 2016, Salaries and Remuneration Commission (SRC) circular and guidelines issued from time to time, the Constitution of Kenya 2010 and all government directives and guidelines issued from time to time. The Agency's operations are guided by relevant laws and policies. The Agency has in place Strategic Plan, Service Charter and other departmental policies which have enhanced management performance. The Agency has continued to observe the Ministry of Health guidelines issued on containment of the spread of Corona Virus (Covid-19).

The Agency's Board of Directors through the management is responsible to ensure preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS). The Management maintains proper books of accounts which give true and fair view of state of affairs of the Agency.

During the year, the Agency ensured prudent spending and compliance with the PFM Act, 2012. The Agency complied with all statutory requirements and obligations with KRA, NHIF, NSSF and HELB. All statutory deductions were duly remitted hence the Agency did not have any material arrears. The Agency will continue to honour all statutory obligations on and when they fall due.

During the year, the Agency continued with implementation of the Human Resources Policies and Procedures, Career Guidelines, Staff Establishment and Training Needs Assessment approved by State Corporations Advisory Committee in August 2017. During 2020/2021FY, staff establishment stood at 44No. Spread in two departments and three standalone sections. The departments include; Corporate Services & Infrastructure Development. Three standalone sections include: Supply Chain Management, Internal Audit and Legal & Corporate Affairs.

The Agency continued to face operational challenges due to the underfunding of its Recurrent Budget which will require Government intervention. During the year, the Agency did not collect any lease fee arrears from Water Service Providers.

Development projects were also not implemented as scheduled due to delayed disbursement of Development funds. There has also been challenges in land compensation and delayed tax exemptions.



Pictorial Presentation of ongoing projects being implemented by Tanathi Water Works Development Agency



Mavoko Drinking Water Project Water Treatment Plant



Mavoko Drinking Water Project Water Treatment Plant- Pre-settlement Tank



Mavoko Drinking Water Project- Syokimau_300m3 Elevated tank



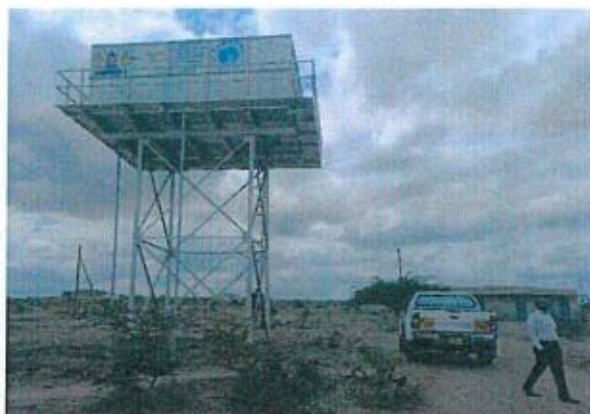
Mavoko Drinking Water Project- Syokimau_4000m3 Reservoir



Mavoko Drinking Water Project- WTP_Chemical Building and Mixing Chamber



Mavoko Drinking Water Project- EAPCC _ intake



Masinga-Ikaatine-Ekalakala Water Project -
Elevated tank at Kanyonyo market centre



Nuu Special School Water Kiosk Constructed under
drought mitigation programme



Wananchi taking water from Kaluasi Borehole
Water Project constructed under the Drilling &
Equipping 40No. Boreholes funded by GoK



Wananchi taking water from Kavisuni Borehole
Water Project constructed under the Drilling &
Equipping 40No. Boreholes funded by GoK



Borehole equipping using solar technology to cut
on electricity cost



Sokomoko Borehole funded by GoK through
National Water Harvesting Programme

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Wananchi taking water from Ndili (Kamutei) Borehole Water Project funded by GoK under the Programme for Water Projects in Arid/Semi-Arid Areas



Sanare Borehole Cattle Trough in Kajiado County funded by GoK under the Cross County Water Projects Programme

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Tanathi Water Works Development Agency exists to transform lives. This is the driving force behind everything we do and it's what guides us to deliver our strategy, which is founded on economic, social and political pillars of the Kenya's vision 2030: putting the customer/Citizen first, delivering relevant services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

i. Sustainability strategy and profile -

The Agency has geared its efforts towards universal access of water and sanitation services to all citizens within its area jurisdiction in line with the Kenya's vision 2030 strategic goal and the United Nations (UN) Sustainable Development No. 6 on clean water and sanitation.

ii. Environmental performance

To ensure environmental protection, the Agency incorporates in all its projects a component of tree planting. Further, the Agency ensures compliance with all National Environmental Management Authority (NEMA) regulations and guidelines on environmental protection.

iii. Employee welfare

TAWWDA has various approved HR instruments that guides the hiring process, amongst them are the HR policy and procedures manual, career guidelines, staff establishment and staffing & organizational structure. The policies were developed and approved in August, 2017; review of the same is ongoing. The Agency has taken into account the gender ratio; as at 30th June, 2021 the ratio for female against male gender was 1:2

The agency has also put into place mechanism for stakeholder engagement during policy development; currently we are engaging stakeholders in the review of the strategic plan 2018-2022.

TAWWDA has a standard for recruitment, training and advancement within the career structure through acquisition of professional qualifications and requisite competencies. We ensure appropriate career planning and succession management.

The Agency offers training opportunities to all its employees in order to improve their work performance and personal development, ensuring continuous upgrading of core competencies, knowledge, skills and attitude. We establish distinct levels of responsibilities in our grading structure and set standards for advancement to higher grades

on the basis of professional competence, specialization, knowledge, experience, proven ability, diligence and drive as reflected in work performance and results.

The Agency takes into account individual performance and rewards employees for their contribution in a fair and equitable manner. We link individual performance with Agency's performance and sets individual work plan at the beginning of the financial year.

The Agency recognize and commit 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. We implement policies and programs in compliance with the provisions of occupational Safety and Health Act, 2007 and other Labour Laws by maintaining healthy and safety working conditions to ensure there is no personal injury caused by accidents, providing fire protection facilities, having Group Personal Accident Insurance for all the employees.

10. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021, which show the state of the Agency's affairs.

i) Principal activities

The principal activity of Tanathi Water Works Development Agency is development, maintenance and management of the national public water works within its area of jurisdiction covering Kitui, Machakos, Makueni and Kajiado.

The Agency's principal activities are to;

- i. Undertake the development, maintenance and management of the national public water works within its area of jurisdiction;
- ii. Operate the water works and provide water services as a water service provider, until such a time as responsibility for the operation and management of the waterworks are handed over to a county government, joint committee, authority of county governments or water services provider within whose area of jurisdiction or supply the waterworks is located;
- iii. Provide reserve capacity for purposes of providing water services where pursuant to section 103 of the Water Act, 2016, the Regulatory Board orders the transfer of water services functions from a defaulting water services provider to another licensee;
- iv. Provide technical services and capacity building to such county governments and water services providers within Kajiado, Makueni, Kitui and Machakos counties;
- v. Provide to the Cabinet Secretary technical support in the discharge of his or her functions under the Kenyan Constitution 2010 and the Water Act, 2016.

ii) Results

The results of the Agency for the year ended June 30, 2021, are set out on page 1

iii) Directors

The members of the Board of Directors who served during the year are shown on page vi-ix. During the financial year 2020/2021 director Agnes Kavindu Muthama resigned and she is yet to be replaced while director David Komen who was the representative PS The National Treasury &

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Planning was replaced by director Eric Korir in January 2021. Director Hon. Richard Kalembe Ndile passed on in May, 2021.

iv) Surplus remission


In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Agency did not make any surplus during the FY 2020/2021 (Ksh Nil) and hence no remittance to the Consolidated Fund.

v) Auditors

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

By Order of the Board

Name..... 

Signature..... 

Date..... 04/02/2022

Corporate Secretary/Secretary to the Board

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, and the Water Act, 2016 require the Directors to prepare financial statements in respect of that Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year/period and the operating results of the Agency for that year/period. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes:

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

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2021, and of the Agency's financial position as at that date.


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

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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 23rd September, 2021 and signed on its behalf by:

Signature..... 09/10/2022

Kakuta Maimai Hamisi

Chairperson of the Board

Signature.....

Fredrick Tito Mwamati (P. Eng. Tech.)

Chief Executive Officer

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON TANATHI WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Tanathi Water Works Development Agency set out on pages 1 to 38, which comprise the statement of financial

position as at 30 June, 2021, 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 effects 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 Tanathi Water Works Development Agency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Water Act, 2016.

Basis for Qualified Opinion

1. Receivables from Exchange Transactions

As disclosed in Note 17 to the financial statements, the statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.64,624,405 as at 30 June, 2021. The Note indicates that, the balance is net of a provision for bad and doubtful debts totalling Kshs.251,391,944 which was equivalent to 80% of gross debtors totalling Kshs.316,016,349. However, Management did not explain the reasons for the high ratio of bad and doubtful debts provision which suggested that the debtors were unable to pay the amounts they owed the Agency. In addition, records on tangible efforts made by Management to recover the long outstanding debts were not presented for audit.

In the circumstances, the accuracy and recoverability of the Agency's receivables from exchange transactions balance of Kshs.64,624,405 could not be confirmed.

2. Long Outstanding Trade and Other Payables

As disclosed in Note 20 to the financial statements, the statement of financial position reflects trade and other payables balance of Kshs.308,931,640. Review of records on the balance indicated that a balance of Kshs.258,830,604 in respect to creditors had been outstanding for more than ninety (90) days which may indicate the Agency's inability to settle its liabilities as they fell due.

In addition, the ageing analysis for the balance reflected debtors that had overstayed for "Over 90 days" and it was therefore not possible to confirm the actual duration for which the creditors had been outstanding. Further, comparison between the creditors' ageing analysis, creditors' statements and payables as per Note 20 to the financial statements reflected the variances as detailed below:

Item	Ageing Analysis (Kshs.)	Creditors' Statement (Kshs.)	Payables as per Note 20 (Kshs.)
Withholding Tax	6,894,287	6,894,287	-
VAT	4,917,420	4,926,357	-
Total KRA Payables	11,811,707	11,820,644	11,822,818
Gratuity Payable	922,937	1,783,001	-

No reconciliation of the variances was provided for audit review.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.308,931,640 could not be confirmed.

3. Understated Expenditure on Water for Schools Project

As disclosed in Note 14 to the financial statements, the statement of financial performance reflects operating costs totalling Kshs.220,073,714 which includes an amount of Kshs.45,470,872 incurred on water for schools' projects. However, additional expenditure on the projects totalling Kshs.15,742,665 was not included in the balance. No explanation was provided by Management for the omission.

In the circumstance, the accuracy and completeness of the operating expenditure totalling Kshs.220,073,714 incurred on operating costs could not be confirmed.

4. Lack of Ownership Documents

As disclosed in Note 19(a) to the financial statements, the statement of financial position reflects a property, plant and equipment balance of Kshs.11,166,867,639,. The balance includes land valued at Kshs.5,675,000 comprising of five (5) plots. However, title deeds for two of the plots namely; Matinyani/Kalia and Mavoko Municipality were not presented for audit review.

Further, the balance did not include the value of six vehicles registered in the name of the Agency, and one vehicle owned by the Agency but registered under 'Kenya-Sweden'.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.11,166,867,639 and ownership of the assets could not be confirmed.

5. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects final budget for employee costs totalling Kshs.85,252,724 whereas the approved budget for the year reflected Kshs.74,752,724 on the same account resulting to an unexplained variance of Kshs.10,500,000.

Further, the statement indicates that the Agency incurred expenditure that exceeded budgets on four components by Kshs.54,283,436 as shown in the table below:

Item	Budgeted Amount (Kshs.)	Actual Amount (Kshs.)	Excess Expenditure (Kshs.)
Use of Goods and Services	29,272,000	33,621,038	4,349,038
Employee Costs	85,252,724	85,535,648	282,924
Repairs and Maintenance	7,735,932	14,360,138	6,624,206
Finance Costs	0	43,027,268	43,027,268
Total	122,260,656	176,544,092	54,283,436

Management did not provide evidence of the Board's approval for the excess expenditure.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

6. Material Uncertainty Relating to Going Concern

The statement of financial performance reflects a deficit from operations totalling Kshs.229,546,588 (2019/2020-Kshs.436,302,724) for the year under review, which increased the Agency's accumulated deficits to Kshs.2,300,250,760;(2020-Kshs.2,070,704,172) as at 30 June 2021. In addition, the statement of financial position reflects balances of Kshs.410,626,190 and Kshs.361,688,657 in respect to current liabilities and current assets as at 30 June, 2021 respectively implying that the Agency was operating at a negative working capital of Kshs.48,937,533. The deficits and shortage of working capital meant the Agency was faced with financial challenges which, if not corrected, may undermine its capacity to sustain its operations and fulfil its strategic objectives and statutory mandate.

The financial statements for the year under review do not disclose this material uncertainty, or the plans, if any, drawn by the Board to reverse the unfavourable performance.

In the circumstances, the Agency is technically insolvent and its ability to sustain its operations is dependent on support from the National Government.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects budgeted and actual revenues on comparable basis totalling Kshs.456,808,863 and Kshs.355,114,963 respectively resulting to a revenue shortfall of Kshs.101,693,900, or 22% of the approved budget.

Failure to realize the budgeted revenue implied that some of the Agency's projects and programmes planned for implementation in the year under review were not undertaken and as a result, the Agency may not have provided services and benefits to the public.

2. Unresolved Prior Year Matters

The audit report for the previous year highlighted several issues under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Control and Risk Management. The matters had not been resolved as at 30 June, 2021.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Work-in-Progress

As disclosed in Note 19(a) to the financial statements, the statement of financial position reflects property, plant and equipment balance of Kshs.11,166,867,639 is work-in-progress totalling Kshs.5,787,289,672. The balance in turn includes Kshs.21,328,780, Kshs.976,518,394 and Kshs.762,539,097 for Kiambere-Mwingi Water Supply and Sanitation Project, Thwake Multi-Purpose Dam and Yatta Dam respectively. However, the three balances remained unchanged in the year under review which indicated that the projects may have stalled. Management did not provide detailed information on the projects and it was therefore not possible to confirm their completion status.

Further, expenditure records indicated that the Agency engaged a consultant to review the water and sanitation systems of Kiambere-Mwingi project at a contract sum of Kshs.3,107,000. However, records on how the services of the consultant were procured were not provided for audit review. As a result, the regularity and value for money on the expenditure totalling Kshs.3,107,000 could not be confirmed.

In the circumstances, the validity and value for money of the work-in-progress balance of Kshs.5,787,289,672 could not be confirmed.

2. Delayed Implementation of a Water Project

Examination of expenditure records indicated that Kshs.128,914,037 had been incurred on Matungulu Water Supply Project (Ngalalya Water Project).

Records on the project and a field visit carried out on in January, 2022 revealed that the main Contractor did not complete the works to the standards required. The reservations were made by Management in additional correspondence to the Ministry of Water and Irrigation.

However, Management did not disclose the measures, if any, taken against the contractor. Further, there were no records or other information on the handover of the project to the respective water service provider and as a result completion of the project could not be confirmed.

In the circumstances, value for money may not have been realized from the Kshs.128,914,037 incurred in the implementation of the project.

3. Projects Implementation Status

As disclosed in Note 14 to the financial statements, the statement of financial performance reflects operating costs amounting to Kshs.220,073,714 which relates to expenditure incurred on various projects during the year under. However, physical verification of projects revealed the following anomalies:

3.1 Kathemboni Borehole

Procurement records indicated that the contract for equipping of Kathemboni borehole was awarded to a firm at a contract sum of Kshs.5,857,694. Review of the bills of quantities revealed that the scope of the project included fencing works and installation of a gate at a combined cost of Kshs.484,000. However, at the time of field inspection in December, 2021, the fence and the gate had not been erected at the project's site and as a result, installations which included solar panels, were not secured from vandalism. This notwithstanding, the contractor was issued with the certificate of completion of works.

3.2 Kaluasi Borehole

The tender for drilling the Kaluasi borehole was awarded to a contractor at a contract sum of Kshs.5,944,048 as indicated in the contract agreement and bills of quantities. However, physical verification carried out in December, 2021 revealed that, a permanent project sign board included in the bills of quantities was not erected, and in addition, two solar panels said to have been installed at the project site were missing.

Further, an ownership dispute on the land on which the borehole was constructed had not been resolved.

3.3 Equipping of Kavuthu Ngoto Borehole

Equipping of Kavuthu Ngoto borehole project was implemented at a cost of Kshs.6,434,358 paid in two instalments at Kshs.5,478,680 and Kshs.955,678. Although the project was completed and was in use at the time of the audit, it had several defects. For instance, one side of the wall had cracks, the soak pit cover provided for in the bills of quantities was not installed, the flooring works inside the kiosk and veranda around the kiosk had potholes and were incomplete. Further, the elevation of the veranda floor was not high enough, which resulted in backflow of water and soil into the water kiosk.

3.4 Lack of Public Participation in Projects

Review of the respective project files did not indicate participation of members of the public in the selection and prioritization of projects as required by Article 232(1)d of the Constitution of Kenya, 2010.

In the circumstances, it was not possible to confirm if value for money was realized from the resources applied in these projects.

4. Water Supply Project Not Operationalized

Review of the expenditure records indicated that a total of Kshs.3,554,672,392 had been spent on Mavoko Drinking Water Supply Project. The project had five (5) components including the rehabilitation of Nol-Turesh pipeline from the pump station at Emali town to Lukenya tank and rehabilitation of the pump systems and water tanks at a cost of Euros.282,603 or Kshs.35,890,581.

Audit verification carried out in December, 2021 observed that although rehabilitation of the tank and pump systems had been done at both Lukenya and Emali, no water had been supplied to the pump station since August, 2021. In addition, there was no electric power or diesel to pump water to the distribution lines and main tank at Lukenya.

In the circumstances, the value for money on the Kshs.3,554,672,392 incurred on the water supply project could not be confirmed.

5. Non- Repayment of African Development Bank Loan

As previously reported, the statement of financial position and Note 22 discloses a balance of Kshs.5,422,113,060 ;(2020 - Kshs.5,379,085,792) in respect to borrowings which relates to outstanding loan due to the African Development Bank. According to the financing agreement and a subsidiary loan agreement between the Government of Kenya and the Agency (then known as Tanathi Water Services Board) dated 10 September, 2010, the Government advanced the Agency a loan amounting to USD 53,913,490 or Kshs.5,149,753,042. Article IV (Section 4.1) of the subsidiary loan agreement required the Agency to repay the principal amount to the National Treasury in fifty-two (52) consecutive semi-annual instalments commencing from 30 April, 2016. In addition,

Article III (Section 3.1) required the Agency to pay interest on the principal amount at the rate of 3% per annum for a period of 30 years and that interest would accrue on any unpaid principal, or interest amounts.

However, the Agency had not commenced repayment of the loan as at 30 June, 2021, at which date the amount due had increased from Kshs.5,379,085,792 reported in 2020 to Kshs.5,422,113,060 as at 30 June, 2021, or by Kshs.43,027,268, which was attributed to an unfavourable exchange rate between the Kenya shilling and the Euro, which was the borrowing currency.

Failure to comply with the terms of the loan agreement reflects negatively on the financial position and credit rating of the Agency. Further, the increasing loan liability may, if not halted, erode the benefits that the loan was expected to provide to the Agency and the country at large.

6. Lack of Ethnic Balance

Review of human resource documents revealed that the Agency had a total of forty-four (44) employees out of whom thirty-one (31) or 70% were from the one dominant community. The Agency had therefore not adhered to the provisions of Section 7(1) and Section 7(2) of the National Cohesion and Integration Act, 2008 which provides each public entity shall seek to reflect the diversity of the people of Kenya in its staff establishment and no entity shall have more than one-third of its staff from the same ethnic community.

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

7. Irregular Board Meetings

Records on Directors remuneration indicated that the Directors were paid Kshs.13,448,957 in allowances during the year under review. However, review of Board meeting minutes, attendance registers and payment schedules revealed that the Board held a total of nine (9) meetings during the year contrary to the provisions of the Office of the President Circular No. OP/CAB/9/1A which prescribes for a maximum of six meetings per year for Boards of public entities. No documentation was provided for audit review to confirm that the extra meetings were approved by the relevant Cabinet Secretary or the State Corporation Advisory Committee.

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

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

Responsibilities of Management and Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Agency's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


26 July, 2022

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30
JUNE 2021

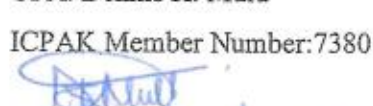
	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	338,252,246	250,033,200
Revenue from exchange transactions			
Sale of goods	7	35,650	22,500
Other income	8	<u>16,827,067</u>	<u>40,803,819</u>
Total revenue		<u>355,114,963</u>	<u>290,859,519</u>
Expenses			
Use of goods and services	9	33,621,038	45,371,247
Employee costs	10	85,535,648	76,142,637
Remuneration of directors	11	13,448,957	17,433,650
Depreciation and amortization expense	12	174,594,788	175,519,253
Repairs and maintenance	13	14,360,138	12,337,262
Operating Costs	14	220,073,714	171,025,444
Finance costs	15	<u>43,027,268</u>	<u>229,332,750</u>
Total expenses		<u>584,661,551</u>	<u>727,162,243</u>
Deficit for the period/year		<u>(229,546,588)</u>	<u>(436,302,724)</u>

The notes set out on pages 9 to 36 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:

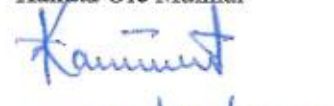
Chief Executive Officer
Fredrick T. Mwamati


Date... 04/02/2022

Chief Manager-Corporate Services
CPA. Dennis K. Mulu

ICPAK Member Number: 7380

Date... 04/02/2022

Chairman of the Board
Kakuta Ole Maimai


Date... 04/02/2022

Tanathi Water Works Development Agency
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14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021 Kshs	2019-2020 Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	37,993,058	164,333,804
Current portion of receivables from exchange transactions	17	64,624,405	100,060,425
Receivables from non-exchange transactions	18	<u>259,071,194</u>	<u>240,835,707</u>
Total Current Assets		<u>361,688,657</u>	<u>505,229,936</u>
Non-Current Assets			
Property, plant and equipment	19	<u>11,166,867,639</u>	<u>10,656,867,992</u>
Total Non- Current Assets		<u>11,166,867,639</u>	<u>10,656,867,992</u>
Total Assets		<u>11,528,556,296</u>	<u>11,162,097,928</u>
Liabilities			
Current Liabilities			
Trade and other payables	20	308,931,640	300,228,782
Deferred income	21	<u>101,694,550</u>	<u>212,946,800</u>
Total Current Liabilities		<u>410,626,190</u>	<u>513,175,582</u>
Non-Current Liabilities			
Borrowings	22	<u>5,422,113,060</u>	<u>5,379,085,792</u>
Total Non- Current Liabilities		<u>5,422,113,060</u>	<u>5,379,085,792</u>
Total Liabilities		<u>5,832,739,250</u>	<u>5,892,261,374</u>
Net assets			
Reserves	23	33,654,135	50,481,202

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	Notes	2020-2021 Kshs	2019-2020 Kshs
Accumulated surplus	24	(2,300,250,760)	(2,070,704,172)
Capital Fund	25	<u>7,962,413,671</u>	<u>7,290,059,524</u>
Total Net Assets		<u>5,695,817,046</u>	<u>5,269,836,554</u>
Total Net Assets and Liabilities		<u>11,528,556,296</u>	<u>11,162,097,928</u>

The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:

Chief Executive Officer


Fredrick T. Mwamati


Date... 04/02/2022

Chief Manager-Corporate Services

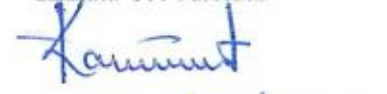
CPA. Dennis K. Mulu

ICPAK Member Number:7380


Date... 04/02/2022

Chairman of the Board

Kakuta Ole Maimai


Date... 04/02/2022

Tanathi Water Works Development Agency
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15. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2021

	Revaluation Reserve	Capital Reserve	Retained earnings	Total
Balance at as 30 th June 2019	<u>23,908,600</u>	<u>6,466,832,427</u>	<u>(1,634,401,448)</u>	<u>4,856,339,579</u>
For the year ended 30 th June 2020	<u>26,572,602</u>	<u>823,227,097</u>	<u>(436,302,724)</u>	<u>413,496,975</u>
Balance at as 30 th June 2020	<u>50,481,202</u>	<u>7,290,059,524</u>	<u>(2,070,704,172)</u>	<u>5,269,836,554</u>
For the year ended 30 th June 2021	<u>(16,827,067)</u>	<u>672,354,147</u>	<u>(229,546,588)</u>	<u>425,980,492</u>
Balance at as 30 th June 2021	<u>33,654,135</u>	<u>7,962,413,671</u>	<u>(2,300,250,760)</u>	<u>5,695,817,046</u>

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16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021	2019-2020
	Notes	Kshs	Kshs
Cash flows from operating activities			
Deficit for the period		(229,546,588)	(436,302,724)
Adjustment for non-cash items:			
Depreciation/Amortization charge	12	<u>174,594,788</u>	<u>175,519,253</u>
Operating surplus before working capital changes		<u>(54,951,800)</u>	<u>(260,783,471)</u>
Cash Flow from Operating Activities			
Increase/Decrease in Debtors, Prepayments & Receivables	17&18	17,200,533	(87,874,759)
Increase/Decrease in Creditors, Accruals and Payables	20&21	<u>(102,549,392)</u>	<u>178,996,650</u>
Total Cash Flow from Operating Activities		<u>(85,348,859)</u>	<u>91,121,891</u>
Net Cash flow from operating activities		<u>(140,300,659)</u>	<u>(169,661,580)</u>
Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment	19	(684,594,434)	(836,810,815)
Adjustments (Asset Revaluation)	19	=	<u>(67,308,268)</u>
Total Cash Flow from Investing Activities		<u>(684,594,434)</u>	<u>(904,119,083)</u>
Net Cash flow from investing activities		<u>(824,895,093)</u>	<u>(1,073,780,663)</u>
Cash Flow from Financing Activities			
Increase in Capital Fund	25	672,354,147	823,227,097
Increase in Loans/Borrowings	22	43,027,268	229,332,750
Increase in Revaluation Reserve	23	<u>(16,827,067)</u>	<u>26,572,602</u>
Total Cash Flow from Financing Activities		<u>698,554,348</u>	<u>1,079,132,449</u>

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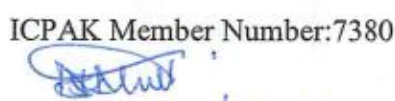
		2020-2021	2019-2020
	Notes	Kshs	Kshs
Net Cash Flow from Financing Activities		<u>(126,340,745)</u>	<u>5,351,786</u>
Cash & cash equivalents as at beginning of the period	16	164,333,804	158,982,018
Cash and cash equivalents at the end of the period	16	<u>37,993,058</u>	<u>164,333,804</u>

The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:

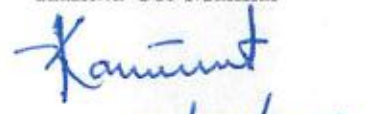
Chief Executive Officer
Fredrick T. Mwamati


Date... 04/02/2022

Chief Manager-Corporate Services
CPA. Dennis K. Mulu

ICPAK Member Number:7380

Date... 04/02/2022

Chairman of the Board
Kakuta Ole Maimai


Date... 04/02/2022

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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget Kshs	Adjustments Kshs	Final budget Kshs	Actual on comparable basis Kshs	Performance difference Kshs	% of utilisation
A	B	C=(a+b)	D	E=(c-d)	F=d/c	
Revenue						
Transfers from other governments entities	439,946,796	-	439,946,796	338,252,246	101,694,550	76.88%
Sale of goods	-	35,000	35,000	35,650	(650)	101.86%
Other income	<u>16,827,067</u>	-	<u>16,827,067</u>	<u>16,827,067</u>	-	100.00%
Total income	<u>456,773,863</u>	<u>35,000</u>	<u>456,808,863</u>	<u>355,114,963</u>	<u>101,693,900</u>	
Expenses						
Use of goods and services	25,356,581	3,915,419	29,272,000	33,621,038	(4,349,038)	114.86%
Employee costs	88,286,663	(3,033,939)	85,252,724	85,535,648	(282,924)	100.33%
Remuneration of directors	14,983,852	(1,082,412)	13,901,440	13,448,957	452,483	96.75%
Depreciation and amortization expense	200,000,000	-	200,000,000	174,594,788	25,405,212	87.30%
Repairs and maintenance	7,000,000	735,932	7,735,932	14,360,138	(6,624,206)	185.63%
Finance Costs	-	-	-	43,027,268	(43,027,268)	0.00%
Operating Cost	<u>314,319,704</u>	-	<u>314,319,704</u>	<u>220,073,714</u>	<u>94,245,990</u>	70.02%
Total expenditure	<u>649,946,800</u>	<u>535,000</u>	<u>650,481,800</u>	<u>584,661,551</u>	<u>65,820,249</u>	
Surplus for the period	<u>(193,172,937)</u>	<u>(500,000)</u>	<u>(193,672,937)</u>	<u>(229,546,588)</u>	<u>35,873,651</u>	

Budget notes

1. Transfers from other governments entities

Some of the programmes that were being implemented in the FY 2020/2021 had not been completed as at 30th June, 2021 and the respective revenue deferred to FY 2021/2021 where these programmes are expected to be completed.

2. Use of goods and services

The variance on use of goods and services is due to Travelling, accommodation, subsistence and other allowances whose actual cost was Kshs: 17.28 million against a budget of Kshs: 14 million.

3. Depreciation and amortization expense

the variance in depreciation and amortization expense is due to Water Supply Infrastructure which had been projected to be complete by 30th June, 2021 but due to supplementary 1 50% budget cut, these projects were still ongoing as at 30th June, 2021 and accounted for under work in progress(non-depreciable).

4. Repairs and maintenance

The variance in Repairs and maintenance expense was due to some urgent renovations in the Agencies offices and compound which shot up this vote beyond the budget.

5. Operating Cost

Some of the programmes that were being implemented in the FY 2020/2021 had not been completed as at 30th June, 2021 and the respective revenue deferred to FY 2021/2021 where these programmes are expected to be completed.

18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Tanathi Water Works Development Agency (TAWWDA) is a State Corporation established by Legal Notice No. 27 dated 26th April, 2019 and under Section 65(1) of the Water Act, 2016 replacing Tanathi Water Services Board which had been established under the Water Act, 2002. At cabinet level, the Agency is represented by the Cabinet Secretary for Water, Sanitation and Irrigation who is responsible for the general policy and strategic direction of the Agency.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

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

Tanathi Water Works Development Agency
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For the year ended June 30, 2021.

3. Adoption of New and Revised Standards

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

2021 Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p><i>Tanathi WWDA would apply this standard as applicable on the applicable date.</i></p>

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.*

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

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Standard	Effective date and impact:
	<p>(c) The impact of such social benefits provided on the Agency's financial performance, financial position and cash flows.</p> <p><i>Tanathi WWDA would apply this standard as applicable on the applicable date.</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(Tanathi WWDA would apply this standard as applicable on the applicable date.</i></p>

iii. *Early adoption of standards*

The Agency did not early – adopt any new or amended standards in year 2020/2021.

4. Summary of Significant Accounting Policies

(a) Revenue recognition

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 realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

b) Budget information – IPSAS 24

The Agency's budget is prepared on the same basis as the actual income and expenditure disclosed in the financial statements. Both the budget and 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 actual as per the statement of financial performance has been presented under section 17 of these financial statements.

c) Taxes

Tanathi Water Works Development Agency is exempt from income tax under the First Schedule, paragraph 10 of the Income Tax Act. As a result, no provision for taxation has been made in these financial statements.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation. 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

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value. The depreciation is calculated on straight line basis and the applicable depreciation rates are as shown below:

• Computers and Accessories	33.33%
• Furniture and fittings	12.5%
• Motor Vehicles	25%
• Plant and Machinery	20%
• Buildings	2.5%
• Water Supply Infrastructure	2.5%

e) 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. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. The intangible assets are amortized over a period of 3 years at the rate of 33.33% per annum on a straight-line basis.

f) Inventories – IPSAS 12

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

N/B Inventory is made up of consumables whose value was insignificant. These consumables were expensed at the time of purchase.

g) Provisions – IPSAS 19

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

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

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

h) Contingent liabilities

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

KPMG was contracted to review TAWSB's list of pending bills that fall on before the year ending 31st March 2011 and come up with the following report.

Category	Amount
Sinohydro Corporation Ltd	159,633,224.29
Forensic audit	
Payable subject to claim	27,133,900.50
Legal	55,786,927.67
Pending	32,366,434.00
Total	274,920,486.46

The Sinohydro corporation ltd claim relates to construction of Masinga-Kitui Water and sanitation project. This arose due to community interference with lot A works for a period of 214 days hence the contractor raised a claim as per the provisions of the contract.

These are awaiting opinion of the Attorney General for full adoption.

i) Contingent assets

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

j) Nature and purpose of reserves

The Agency creates and maintains reserves in terms of specific requirements. These capital reserves is composed of Government and donor Grants received for the purchase of fixed assets or donated assets. They are recognized as deferred income and transferred to the surplus or deficit over the expected useful lives of the respective assets.

k) Changes in accounting policies and estimates – IPSAS 3

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

l) Foreign currency transactions – IPSAS 4

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.

m) Borrowing costs – IPSAS 5

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

n) 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.

o) Comparative figures

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

p) Significant judgments and sources of estimation uncertainty – IPSAS 1

In the process of applying the Agency accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities within the next financial year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates including expectations of future events that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

q) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date that has a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Equipment

Critical estimates are made by the Directors in determining depreciation rates of equipment.

Impairment

At each statement of financial position date, the organization reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the organization estimates the recoverable amount of the cash generating unit to which the asset belongs.

Provisions and contingent liabilities

The organization reviews its obligations at each balance sheet date to determine whether provisions need to be made and if there are any contingent liabilities.

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r) Going Concern

Nothing has come to the attention of the Agency that it would cease to exist at least for the next 12 months hence going concern concept do apply. These financial statements are thus prepared on historical basis.

s) Accounting policy on Work in Progress

It's the Agency policy to recognize the ongoing projects at the end of the financial year at cost as work in progress. No provision for depreciation is made on these assets until they are completed and transferred from the work in progress account to respective asset class account.

t) Bad Debts Provision Policy

The Finance and Administration Manager shall review all outstanding debts which are under dispute, on a monthly basis, before any bad debt provisions are made.

Provisions shall be made for bad and doubtful debts at the following rates:

Period Outstanding	Percentage provision
241-360 days (8-12 months)	25%
Over 1 year	50%
Over 2 years	100%

For individual arrears in excess of Kshs 50,000, the bad debts should only be written off on the authority of the Board of Directors. Other bad debts below this amount will only be written off on the authority of the CEO. Any write off bad debts shall be made only after all reasonable steps have been taken to recover the debt and the Board is satisfied that:

- All legal and other measures have been exhausted, but there is still a balance of the debt remaining; and
- Recovery of the debt would be uneconomical.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Agency's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of

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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 Agency based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Agency. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. a) Transfers from Other Government Entities

Description	2020-2021 KShs	2019-2020 KShs
Unconditional grants		
Gok Recurrent (Operational) Grant	117,999,996	122,530,000
Other grants (Deferred Income)	7,627,096	(7,627,096)
Total Unconditional Grants	125,627,092	114,902,904
Conditional grants		
Water for Schools Programme	45,470,872	7,318,493
Drought Mitigation Grant	3,384,495	57,615,505
Cross County Water Projects Grant	35,698,745	21,440,115
National Water Harvesting Programme	81,243,817	48,756,183
Post-Covid 19 ESP Programme	11,599,545	-
Other Gok funded projects (Special Projects)	-	-
Grant for ASAL Area Projects	<u>35,227,680</u>	-
Total government grants and subsidies	<u>338,252,246</u>	<u>250,033,200</u>

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

Detail	Deferred From 2019/2020FY	Amount Received during the year	Total	Revenue unutilized as at 30.06.2021 and Deferred as Per Note 21 in the Financial Statements	Revenue Recognized During the Year
Gok Recurrent Grant	7,627,096	117,999,996	125,627,092	-	125,627,092
Water for Schools Programme	51,131,507	-	51,131,507	5,660,635	45,470,872
Drought Mitigation Grant	3,384,495	-	3,384,495	-	3,384,495
Cross County Water Projects Grant	29,559,885	59,000,000	88,559,885	52,861,140	35,698,745
National Water Harvesting Programme	81,243,817	-	81,243,817	-	81,243,817
Post-Covid 19 ESP Programme	-	30,000,000	30,000,000	18,400,455	11,599,545
Other Gok funded projects (Special Projects)	-	20,000,000	20,000,000	20,000,000	-

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Grant for ASAL Area Projects	<u>40,000,000</u>	=	<u>40,000,000</u>	<u>4,772,320</u>	<u>35,227,680</u>
Total	<u>212,946,800</u>		<u>226,999,996</u>	<u>439,946,796</u>	<u>101,694,550</u>
				<u>338,252,246</u>	

7. Sale of Goods

Description	2020-2021	2019-2020
	KShs	KShs
Sale of Boarded Stores Items	<u>35,650</u>	<u>22,500</u>
Total revenue from the sale of goods	<u>35,650</u>	<u>22,500</u>

(Provide brief explanation for this revenue)

8. Other Income

Description	2020-2021	2019-2020
	KShs	KShs
Revaluation Reserve Recognized	16,827,067	40,735,667
Provision for bad & Doubtful Debts (Recovered)	=	<u>68,152</u>
Total other income	<u>16,827,067</u>	<u>40,803,819</u>

9. Use of Goods and Services

Description	2020-2021	2019-2020
	KShs	KShs
Utility Costs-Electricity & Water	521,793	438,616
Outsourced Services - Security	1,035,879	2,454,787
Membership Subscriptions	93,960	57,460
Advertising, Promotions & Publicity Expenses	187,999	2,060,160
Audit fees	928,000	912,000
Seminars, Conferences & Workshops	3,262,422	2,916,669
Refined Fuel, Oil & Lubricants	612,000	2,970,556
Motor Vehicle Insurance	1,120,457	1,318,583
Bank Charges	100,724	84,375
Legal expenses	-	757,424
Telephone, Mobile & Internet Expenses	875,651	1,515,469
Office Stationery, Printing & Photocopy	1,861,635	1,841,232
Hire of Transport & Machinery	179,824	35,500
Staff Education & Training	1,355,478	1,523,442

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Description	2020-2021	2019-2020
	KShs	KShs
Travel, accommodation, subsistence & other allowances	17,284,025	21,641,553
General office Expenses	<u>4,201,191</u>	<u>4,843,421</u>
Total Use of Goods and Services	<u>33,621,038</u>	<u>45,371,247</u>

10. Employee Costs

	2020-2021	2019-2020
	KShs	KShs
Basic Salary	37,698,201	33,132,327
House Allowance	9,923,300	7,632,670
Commuter/Transport Allowance	1,567,000	1,328,971
Hardship Allowance	13,581,900	11,928,845
Acting Allowance	190,400	731,136
Special Duty Allowance	522,930	1,163,520
Extraneous Allowance	96,000	96,000
Employer Staff Pension Contribution	4,696,212	4,702,956
N.S.S.F Employers Contribution	105,400	96,800
Leave Allowance	3,141,436	2,878,847
National Industrial Training Authority Levy (NITA)	26,350	23,750
Casual Labour/Wages	57,000	160,500
Gratuity Contribution	1,980,900	507,780
Telephone Allowance	1,137,000	1,003,000
Other Remunerative Allowances	480,000	<u>480,000</u>
Staff Medical/Group Life	<u>10,331,619</u>	<u>10,275,535</u>
Total Employee costs	<u>85,535,648</u>	<u>76,142,637</u>

11. Remuneration of Directors

Description	2020-2021	2019-2020
	KShs	KShs
Board sitting and other allowance	8,262,812	13,272,100
Board Mileage	1,372,705	2,883,227
Board medical cover	500,348	294,323

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Board Training	2,329,092	-
Air-time allowance	24,000	24,000
Chairman's Honoraria	960,000	960,000
Total Remuneration of Directors	<u>13,448,957</u>	<u>17,433,650</u>

12. Depreciation and Amortization Expense

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	174,594,788	173,529,419
Intangible assets	-	1,989,834
Total depreciation and amortization	<u>174,594,788</u>	<u>175,519,253</u>

13. Repairs and Maintenance

Description	2020-2021	2019-2020
	KShs	KShs
General Repairs & Maintenance	11,121,012	7,090,872
Motor Vehicles Repairs & Maintenance	3,239,126	5,246,390
Total repairs and maintenance	<u>14,360,138</u>	<u>12,337,262</u>

14. Operating Cost

Description	2020-2021	2019-2020
	KShs	KShs
Consultancy Fees	2,317,000	7,475,845
Drought Mitigation Project Costs	3,161,566	57,713,096
Water for Schools Project Costs	45,470,872	7,318,493
Monitoring & Evaluation	2,721,880	1,783,700
National Water Harvesting Project Costs	26,520,737	48,756,183
Cross-County Project Costs	35,698,745	21,440,115
Arid & Semi-Arid Project Costs	35,227,680	-
Post Covid-19 Project Costs	11,599,545	-
Drilling & equipping of 40 No. of Boreholes	57,158,889	26,538,012
Universal Health Coverage Project Costs	196,800	-
Total Operating Cost	<u>220,073,714</u>	<u>171,025,444</u>

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15. Finance Costs

Description	2020-2021	2019-2020
	KShs	KShs
Exchange Loss	<u>43,027,268</u>	<u>229,332,750</u>
Total finance costs	<u>43,027,268</u>	<u>229,332,750</u>

16. (a) Cash and Cash Equivalents

Description	2020-2021	2019-2020
	KShs	KShs
Current account	<u>37,993,058</u>	<u>164,333,804</u>
Total cash and cash equivalents	<u>37,993,058</u>	<u>164,333,804</u>

(b) Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
a) Current account			
Kenya Commercial bank	1106061896	2,241,329	5,097,096
Kenya Commercial bank	1106061950	1,363,801	130,144,673
Kenya Commercial bank	1114505935	1,292	609
Kenya Commercial bank	1131429117	30,447,091	21,183,439
Kenya Commercial bank	1139126474	264,270	265,335
Kenya Commercial bank	1156581184	237,121	237,121
Kenya Commercial bank	1114362581	1,262,294	3,736,639
Kenya Commercial bank	1204595127	332,628	3,387,580
Co-operative Bank	01120300481400	<u>1,843,232</u>	<u>281,312</u>
Grand total		<u>37,993,058</u>	<u>164,333,804</u>

17. Receivables from Exchange Transactions

	2020-2021	2019-2020
	KShs	KShs
Trade Debtors	229,891,154	229,891,154
Kiambere-Mwingi (Sacco dues)	100,360	100,360
Advance payment	85,378,355	121,460,855
Kenya National Highways Authority	<u>646,480</u>	-
Gross Receivables from Exchange Transactions	<u>316,016,349</u>	<u>351,452,369</u>

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Less: Provision for bad & doubtful debts	(251,391,944)	(251,391,944)
Total Receivables from Exchange Transactions	<u>64,624,405</u>	<u>100,060,425</u>

18. Receivables from Non-Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Staff Debtors	5,740,360	3,181,470
Ministry of Water and Sanitation	19,896,517	19,896,517
Kenya Commercial Bank Limited	10,500	-
Prepaid Board airtime	2,000	2,000
Grants Receivable	226,019,976	209,536,283
Prepaid motor vehicle insurance	504,899	615,557
Prepaid staff airtime	107,500	84,000
Board of Directors Debtors	-	805,350
Prepaid staff insurance cover	5,185,169	5,110,257
District water officers	<u>1,604,273</u>	<u>1,604,273</u>
Total Receivables from Non-Exchange Transactions	<u>259,071,194</u>	<u>240,835,707</u>

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19. a) Property, Plant and Equipment

Cost	Land		Buildings		Motor vehicles		Furniture and fittings		Computers		Water Supply Infrastructure		Plant and equipment		Capital Work in progress		Total		
	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	
As at 1 July 2019	5,675,000	6,600,043	95,386,339	9,818,083	26,326,193	6,198,047,691	10,059,876	4,310,821,181	10,662,734,406										
Additions	-	-	-	-	2,322,000	-	-	-	834,488,815										
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	(28,078,070)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(28,078,070)
As at 30 th June 2020	5,675,000	6,600,043	67,308,269	9,818,083	28,648,193	6,198,047,691	10,059,876	5,145,309,996	11,471,467,151										
Additions	-	-	-	-	-	42,614,758	-	684,594,434	727,209,192										
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 30 th June 2021	5,675,000	6,600,043	67,308,269	9,818,083	28,648,193	6,240,662,449	10,059,876	5,787,289,672	12,156,061,585										
Depreciation and impairment																			
At 1 July 2019	-	(831,428)	(95,386,339)	(8,152,983)	(25,769,526)	(596,547,926)	(9,767,876)	-	(736,456,078)										
Depreciation	-	(165,001)	(16,827,067)	(460,826)	(1,052,333)	(154,951,192)	(73,000)	-	(173,529,419)										
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	=	=	95,386,339	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	95,386,339
As at 30 June 2020	=	(996,429)	(16,827,067)	(8,613,809)	(26,821,859)	(751,499,118)	(9,840,876)	-	(814,599,158)										
Depreciation	-	(165,001)	(16,827,067)	(460,826)	(1,052,333)	(156,016,561)	(73,000)	-	(174,594,788)										
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer/adjustment	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
As at 30 th June 2021	=	(1,161,430)	(33,654,134)	(9,074,635)	(27,874,192)	(907,515,679)	(9,913,876)	-	(989,193,946)										
Net book values																			
As at 30 th June 2021	5,675,000	5,438,613	33,654,135	743,448	774,001	5,333,146,770	146,000	5,787,289,672	11,166,867,639										

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Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Water Supply Infrastructure	Plant and equipment	Capital Work in progress	Total
Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 30 th June 2020	<u>5,675,000</u>	<u>5,603,614</u>	<u>50,481,202</u>	<u>1,204,274</u>	<u>1,826,333</u>	<u>5,446,548,573</u>	<u>219,000</u>	<u>5,145,309,996</u>	<u>10,656,867,992</u>

The work in progress include water supply infrastructure construction which were still ongoing as at 30th June, 2021.

b) The following motor vehicles have been acquired through projects:

S/No	Motor Vehicle Registration No.	Project Which Acquired the Motor Vehicle	Current Location
1.	KDB 390Q	Mavoko Drinking Water Project	Tanathi WWDA HQs
2.	KCQ 979Z	Mavoko Drinking Water Project	At project site during the defect liability period
3.	KCQ 978Z	Mavoko Drinking Water Project	At project site during the defect liability period
4.	KBS 070K	Matungulu Water Project	Tanathi WWDA HQs
5.	KBT 625N	Mutitu/Thu-Kinakoni Water Project	Nol-Turesh Loitoktok Water Company
6.	KCE 286X	Masinga-Kitui Water & Sanitation Project	Tanathi WWDA HQs
7.	KCE 287X	Masinga-Kitui Water & Sanitation Project	Tanathi WWDA HQs
8.	KBU 190P	Masinga-Kitui Water & Sanitation Project	Tanathi WWDA HQs
9.	KBU 194P	Masinga-Kitui Water & Sanitation Project	Tanathi WWDA HQs
10.	KBU 163P	Masinga-Kitui Water & Sanitation Project	Tanathi WWDA HQs
11.	KCA 848V	Masinga-Kitui Water & Sanitation Project	Tanathi WWDA HQs

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12.	KCA 838V	Masinga-Kitui Water & Sanitation Project	Tanathi WWDA HQs
13.	KCA 839V	Masinga-Kitui Water & Sanitation Project	Tanathi WWDA HQs
14.	KBU 164P	Masinga-Kitui Water & Sanitation Project	Ministry of Water, Sanitation & Irrigation HQs
15.	KCE 302Y	Masinga-Kitui Water & Sanitation Project	Yatta Water Company
16.	KBZ 854D	Kajiado Water Supply Project	Olkejuado Water Company

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Valuation

Motor vehicles were valued by the chief Mechanical Engineer- Kitui County in June 2019 and adopted as at 1st July, 2019 as the basis of valuation.

19 (b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	5,675,000	-	5,675,000
Buildings	6,600,043	(1,161,430)	5,438,613
Motor vehicles, including motorcycles	95,386,340	(95,386,340)	-
Plant and machinery	10,059,876	(9,913,876)	146,000
Water Supply Infrastructure	6,240,662,449	(907,515,679)	5,333,146,770
Capital Work in Progress	5,787,289,672	-	5,787,289,672
Computers and related equipment	28,648,193	(27,874,192)	774,001
Office equipment, furniture, and fittings	9,818,083	(9,074,635)	743,448
Total	<u>12,184,139,656</u>	<u>(1,050,926,152)</u>	<u>11,133,213,504</u>

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

	Cost or valuation	Normal annual depreciation charge
Computers	26,326,193	8,775,398
Furniture and Fittings	7,646,433	955,804
Plant and machinery	<u>9,694,876</u>	1,938,975
Total	<u>43,667,502</u>	<u>11,670,177</u>

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19. c) Intangible Assets

Description	2020-2021	2019-2020
	KShs	KShs
Cost		
At beginning of the year	3,060,288	3,060,288
Additions	=	=
At end of the year	<u>3,060,288</u>	<u>3,060,288</u>
Additions–internal development	-	-
At end of the year	<u>3,060,288</u>	<u>3,060,288</u>
Amortization and impairment		
At beginning of the year	3,060,288	(2,924,822)
Amortization	-	(1,989,834)
At end of the year	3,060,288	3,060,288
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

20. Trade and Other Payables

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	295,261,397	289,123,806
Employee payables	1,847,425	347,230
Kenya Revenue Authority	<u>11,822,818</u>	<u>10,757,746</u>
Total trade and other payables	<u>308,931,640</u>	<u>300,228,782</u>

21. Deferred Income-Short Term

Description	2020-2021	2019-2020
	KShs	KShs
National government	<u>101,694,550</u>	<u>212,946,800</u>
Total deferred income	<u>101,694,550</u>	<u>212,946,800</u>

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22. Borrowings

Description	2020-2021 KShs	2019-2020 KShs
Balance at beginning of the year	5,379,085,792	5,149,753,042
External borrowings during the year	-	-
Repayments during the year	-	-
Exchange Gain/Loss during the year	<u>43,027,268</u>	<u>229,332,750</u>
Balance at end of the year	<u>5,422,113,060</u>	<u>5,379,085,792</u>

The analyses of borrowings are as follows:

	2020-2021 KShs	2019-2020 KShs
External Borrowings		
Dollar denominated loan from African Development Bank	3,765,669,088	3,654,441,125
Kenya shillings denominated loan from African Development Bank	1,482,314,150	1,482,314,151
Euro denominated loan from African Development Bank	<u>174,129,822</u>	<u>242,330,516</u>
Total balance at end of the year	<u>5,422,113,060</u>	<u>5,379,085,792</u>

23. Revaluation Reserves

Description	2020-2021 KShs	2019-2020 KShs
Balance at beginning of the year	50,481,202	23,908,600
Revenue Recognized during the year	<u>(16,827,067)</u>	<u>26,572,602</u>
Balance at end of the year	<u>33,654,135</u>	<u>50,481,202</u>

24. Accumulated Deficit

Description	2020-2021 KShs	2019-2020 KShs
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Revenue Recognized during the year	(229,546,588)	(436,302,724)
Balance at end of the year	<u>(2,300,250,760)</u>	<u>(2,070,704,172)</u>

25. Capital Fund

Description	2020-2021 KShs	2019-2020 KShs
Gok Development Grant	4,601,621,611	4,380,148,484
Mavoko Drinking Water Project Grant	3,360,792,060	2,909,911,040
Balance at end of the year	<u>7,962,413,671</u>	<u>7,290,059,524</u>

26. Cash Generated from Operations

	Notes	2020-2021 Kshs	2019-2020 Kshs
Cashflowsfromoperatingactivities			
Deficit for the period		(229,546,588)	(436,302,724)
Adjustment for non-cash items:			
Depreciation/Amortization charge	12	174,594,788	175,519,253
Operating surplus before working capital changes		<u>(54,951,800)</u>	<u>(260,783,471)</u>
Cash Flow from Operating Activities			
Increase/Decrease in Debtors, Prepayments and Receivables	17&18	17,200,533	(87,874,759)
Increase/Decrease in Creditors, Accruals and Payables	20&21	(102,549,392)	178,996,650
Total Cash Flow from Operating Activities		<u>(85,348,859)</u>	<u>91,121,891</u>
Net Cash flow from operating activities		<u>(140,300,659)</u>	<u>(169,661,580)</u>

27. Financial Risk Management

Tanathi Water Works Development Agency principal financial instruments comprise receivables/debtors, cash and cash equivalents, investments, unexpended grants and creditors. These instruments arise directly from its operations.

The Agency's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign currency risk and equity/price risk), credit risk and liquidity risk. It seeks to minimize the potential adverse effects of these financial risks. Risk management is carried out under policies approved by the Board of Directors.

Market Risk

Market risk is the risk that the value of an investment will decrease due to movement in market factors. The Agency has no exposure to market risk.

Foreign exchange rate risk

Foreign exchange rate risk is a form of risk that arises from the change in price of one currency against another. The Agency's policy with respect to transactions is to record in Kenya shillings at the rate in effect at the date of the transaction whatever the currency of the original transaction.

The Agency's policy with respect to monetary assets and liabilities denominated in other currencies is to translate at the rate of exchange in effect at the reporting date. All gains or losses on changes in currency exchange rates are accounted for in the income statement.

Details	AMOUNT (Kshs)	AMOUNT (Kshs)
	2020/2021	2019/2020
Exchange loss	<u>43,027,268</u>	<u>229,332,750</u>

Credit Risk

Credit risk is the loss that would arise due to a debtor's non-payment of a loan or other line of credit. The largest concentrations of credit exposure arise from grants receivable, trade receivables, deposits held with service providers, prepayments, term deposits and cash and cash equivalents held with banks.

Significant amounts of funds are placed with only recognized financial institutions with strong credit ratings. The Agency does not consider the credit risk exposure to be significant.

Liquidity Risk

Liquidity defines the Agency's capacity to meet its current and future obligations without incurring unacceptable losses. Adequate liquidity is dependent upon the institution's ability to efficiently meet both expected and unexpected cash flows and collateral needs without adversely affecting either daily operations or the financial condition of the Agency. Liquidity risk is the risk to an institution's

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financial condition or safety and soundness arising from its inability (whether real or perceived) to meet its contractual obligations. The primary role of liquidity-risk management is to (1) prospectively assess the need for funds to meet obligations and (2) ensure the availability of cash or collateral to fulfil those needs at the appropriate time by coordinating the various sources of funds available to the institution under normal and stressed conditions.

To manage its liquidity, risk the Tanathi Water Works Development Agency ensured that:

- i) It entered into contracts where cash flow was readily available.
- ii) Maintained a separate account for customer retention money to ensure that the Agency meets them as and when they fall due.

Capital Risk Management

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

	2020-2021	2019-2020
	Kshs	Kshs
Revaluation reserve	33,654,135	50,481,202
Retained earnings	(2,257,223,492)	(2,069,953,732)
Capital reserve	<u>7,962,413,671</u>	<u>7,290,059,524</u>
Total funds	5,738,844,314	5,270,586,994
Total borrowings	<u>5,422,113,060</u>	<u>5,379,085,792</u>
Less: cash and bank balances	<u>37,993,058</u>	<u>164,333,804</u>
Net debt (excess cash and cash equivalents)	<u>5,384,120,002</u>	<u>5,214,751,988</u>
Gearing	106.59%	101.07%

28. Related Party Disclosures

Nature of related party relationships

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

The Agency is related to:-

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

ii) Related party transactions

	2020/2021	2019/2020
	Kshs	Kshs
Transfers from related parties'(MOWI)	<u>828,311,247</u>	<u>714,486,283</u>

iii) Key management remuneration

	2020/2021	2019/2020
	Kshs	Kshs
Directors'	13,448,957	17,401,650
Key management compensation	<u>20,855,852</u>	<u>18,856,304</u>
Total	<u>34,304,809</u>	<u>36,257,954</u>

iv) Due from related parties

	2020/2021	2019/2020
	Kshs	Kshs
Due from Parent Ministry	19,896,517	19,896,517
Due from Kiambere-Mwingi Water & Sanitation Co.	<u>100,360</u>	<u>100,360</u>
Total	<u>19,996,877</u>	<u>19,996,877</u>

v) Due to related parties

Details	2020/2021	2019/2020
	Kshs	Kshs
Loan due to The National Treasury	<u>5,422,113,060</u>	<u>5,379,085,792</u>

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29. Contingent Assets and Contingent Liabilities

Contingent Liabilities

	2020-2021	2019-2020
	Kshs	Kshs
Contingent liabilities		
Sinohydro Corporation	159,633,224.29	159,633,224.29
Forensic audit		
Payable subject to claim	27,133,900.50	27,133,900.50
Legal	55,786,927.67	55,786,927.67
Pending	<u>32,366,434.00</u>	<u>32,366,434.00</u>
Total	<u>274,920,486.46</u>	<u>274,920,486.46</u>

30. Capital Commitments

Capital commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

31. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. *The Agency did not make any surplus during the year (FY 2020/2021 Nil) and hence no remittance to the Consolidated Fund.*

The Surplus Remission has been computed as follows:

	2020-2021	2019-2020
	Kshs	Kshs
Surplus for the period	-	-
Less: Allowable deductions by NT	-	-

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90% computation (Included in Statement of
Financial performance)

- -

Surplus Remission Payable

	2020-2021	2019-2020
	Kshs	Kshs
Payable at the beginning of the year	-	-
Paid during the year	-	-
Payable at end of the year	-	-

32. Events after the Reporting Period

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

33. Ultimate And Holding Agency

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

34. Currency

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

APPENDIX

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

N/B

By the time of submission of these financial statements, the Agency had not received certificate from the Auditor General for 2019/2020FY.

C.E.O


 Date.....01/02/2022.....

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APPENDIX II: PROJECTS IMPLEMENTED BY THE AGENCY

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	Mavoko Water Supply Project	Belgium Government		2.7 Billion	No	Yes
2	Kiambere-Mwingi water and Sanitation Project	Italian Corporation		1.4 Billion	No	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Kiambere-Mwingi water and Sanitation Project	1.4 Billion	19.5Million	3.6%	182 Million	5.6 Million	Italian Corporation
2	Mavoko Water Supply Project	2.7 Billion	2.4 Billion	68%	198Million	127 Million	Gok

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	Supply Project						
3	Matungulu Water Supply Project	116 Million	114 Million	97%	-	-	KIDDP

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APPENDIX III: INTER-AGENCY TRANSFERS

AGENCY NAME:		TANATHI WATER WORKS DEVELOPMENT AGENCY		
Breakdown of Transfers from the Ministry of Water, Sanitation and Irrigation				
FY 2020/2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		29/07/2020	9,833,333	
		26/08/2020	9,833,333	
		08/09/2020	9,833,333	
		08/09/2020	9,833,333	
		05/10/2020	9,833,333	
		06/11/2020	9,833,333	
		07/12/2020	9,833,333	
		18/01/2021	9,833,333	
		04/02/2021	9,833,333	
		04/03/2021	9,833,333	
		05/05/2021	9,833,333	
		25/06/2021	9,833,333	
		Total	117,999,996	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		17/09/2020	53,750,000	
		17/09/2020	7,500,000	
		21/12/2020	7,500,000	
		09/07/2021	127,186,643	
		09/07/2021	89,000,000	
		Total	284,936,643	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		07/23/2020	2,449,686.07	
		07/23/2020	2,449,686.07	

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AGENCY NAME:		TANATHI WATER WORKS DEVELOPMENT AGENCY		
		07/23/2020	2,449,686.07	
		07/23/2020	2,449,686.07	
		07/23/2020	2,449,686.07	
		07/23/2020	62,302,796.20	
		07/23/2020	31,888,873.19	
		08/12/2020	2,497,468.49	
		08/12/2020	32,510,882.49	
		08/12/2020	34,993,816.17	
		08/12/2020	2,497,468.49	
		01/22/2021	2,610,406.08	
		01/22/2021	36,576,265.58	
		01/22/2021	32,611,040.57	
		01/22/2021	2,610,406.09	
		01/22/2021	34,123,513.14	
		01/22/2021	2,610,406.08	
		01/22/2021	2,610,406.08	
		01/22/2021	2,610,406.08	
		01/22/2021	2,610,406.08	
		01/22/2021	2,610,406.08	
		01/22/2021	2,610,406.08	
		01/22/2021	2,610,406.08	
		01/22/2021	2,610,406.08	
		30-Jun-21	826,973.00	
		30-Jun-21	826,973.00	
		30-Jun-21	826,973.00	
		30-Jun-21	20,759,245.00	
		30-Jun-21	20,759,245.00	
		30-Jun-21	20,759,245.00	
		30-Jun-21	20,759,245.00	
		30-Jun-21	826,973.00	
		30-Jun-21	826,973.00	
		30-Jun-21	826,973.00	
		12-Apr-21	59,748,399.00	
		Total	450,881,020.32	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		06/04/2021	14,908,274	
		17/06/2021	26,838,520	
		Total	41,746,794	

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AGENCY NAME:	TANATHI WATER WORKS DEVELOPMENT AGENCY		

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

Manager-Finance & Accounts
Tanathi Water Works Development Agency

Head of Accounting Unit
Ministry of water, Sanitation & Irrigation

Sign -----

Sign-----

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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/Development/Other	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Total									

N/B

There were no transfers from other Government entities.

