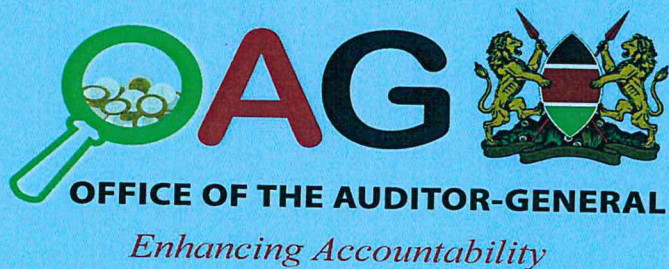


REPUBLIC OF KENYA



REPORT


OF

THE AUDITOR-GENERAL

ON

**ATHI WATER WORKS
DEVELOPMENT AGENCY**

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

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| DATE: 15 FEB 2023 | |
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ATHI WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2021

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| TABLE OF CONTENTS | PAGE |
|--|-------|
| 1. KEY ENTITY INFORMATION AND MANAGEMENT | ii |
| 2. THE BOARD OF DIRECTORS | v |
| 3. MANAGEMENT TEAM | ix |
| 4. CHAIRMAN'S STATEMENT | xii |
| 5. REPORT OF THE CHIEF EXECUTIVE OFFICER | xv |
| 6. STATEMENT OF ATHI WATER WORKS DEVELOPMENT AGENCY'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021 | xvii |
| 7. CORPORATE GOVERNANCE STATEMENT | xxx |
| 8. MANAGEMENT DISCUSSION AND ANALYSIS | xxxix |
| 9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING | xliv |
| 10. REPORT OF THE DIRECTORS | lii |
| 11. STATEMENT OF DIRECTORS' RESPONSIBILITIES | liii |
| 12. REPORT OF THE INDEPENDENT AUDITORS ON ATHI WATER WORKS DEVELOPMENT AGENCY | lv |
| 13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR 30 JUNE 2021 | 1 |
| 14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 | 2 |
| 15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021 | 3 |
| 16. STATEMENT OF THE ENTITY'S DEBT AS AT 30 TH JUNE 2021 | 4 |
| 17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021 | 5 |
| 18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021 | 6 |
| 19. NOTES TO THE FINANCIAL STATEMENTS | 12 |
| APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS | 42 |
| APPENDIX II: PROJECTS IMPLEMENTED BY AWWDA | 47 |
| APPENDIX III: INTER-ENTITY TRANSFERS | 50 |
| APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES | 52 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Athi Water Work Development Agency (AWWDA) was established under the Water Act 2016 and Gazetted on 26th April 2019 to start operation on 3rd May 2019. AWWDA's area of jurisdiction comprises of Nairobi City County, Kiambu County and Murang'a County. The entity is domiciled in Kenya and its office is in Athi Water Plaza located along Muthaiga North Road, off Kiambu Road.

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

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

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

(b) Principal Activities

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

(c) Key Management

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

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

(d) Fiduciary Management

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| No. | Designation | Name |
|-----|---|---------------------------------|
| 1. | Chief Executive Officer | Eng. Michael M. Thuita |
| 2. | Chief Manager-Finance and Strategy | CPA Michael Kihungi Kimotho |
| 3. | Chief Manager-Water, Sewer and Sanitation | Eng. Joseph Kamau |
| 4. | Ag. Chief Manager Corporate Services | Mr. Joseph Mungai Kariuki |
| 5. | Manager, Water Works Infrastructure Development | Eng. Bonnie Nyandwaro |
| 6. | Manager, ICT | Mr. Tom Ongaki |
| 7. | Manager, Internal Audit | CPA Murigi Mathew |
| 8. | Manager, Supply Chain Management | Mr. Jones K. Mwinzi |
| 9. | Manager, Finance and Accounts | CPA, Dr. Christine Mawia Julius |

(e) Fiduciary Oversight Arrangements

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

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

(f) Entity Headquarters

Athi Water Works Development Agency
P.O. Box 45283-00100 GPO
Athi Water Plaza
Muthaiga North Rd, Off Kiambu Road
NAIROBI

(g) Entity Contacts

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

(h) Entity Bankers

- | | | |
|---|--|---|
| 1. Cooperative Bank of Kenya University Way Branch NAIROBI | 2. SBM Group Upper Hill Branch NAIROBI | 3. Cooperative Bank of Kenya University Way Branch NAIROBI |
| 4. NCBA Bank Upper Hill NAIROBI | 5. Stanbic Bank Kenya Limited Kenyatta Avenue NAIROBI | 6. Kenya Commercial Bank Kipande House Branch, NAIROBI |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

2. THE BOARD OF DIRECTORS



Ms. Beryl Okumu

Ms. Okumu-Odinga was born 31st March 1956; she finished high school at the Kenya High School, Nairobi. A lawyer by profession, having obtained an LLB degree from the University of Nairobi and Diploma in Laws from the Kenya School of Law, she has extensive and exhaustive experience in Local Authorities governance. She was a lecturer and admin officer at the Kenya School of Law after graduation. She worked briefly with the Ministry of Co-operatives and was instrumental in the formation of the first Saccos in Kenya. She moved to Zimbabwe and was the first black woman and first black Town Clerk in the newly independent Zimbabwe. She was a pioneer in the formation/ creation of the Urban Development Corporation, a body established to provide services to local authorities, where she was the Corporation Secretary/ Legal Adviser. The body was similar to the Nairobi Metropolitan Services board. She has profound experience in county government matters through her work in local government, and was involved in infrastructure building and rehabilitation with the Urban Development Corporation as it took over infrastructure development of many local authorities. She's very experienced with boards and local governments having started as a Town Clerk and Corporate Secretary.

She was chairman of Kenya Railways Staff Retirement and Benefits Authority from 2008 to 2013. At the pension scheme, she was involved in the general improvement of the status of the pensioner and general rehabilitation of the Railways Pension properties. She joined Nairobi Water and Sewerage Company in 2019 as Chairman of the board and was instrumental in the improvement of the pension scheme and actively involved in clean water provision during the pandemic.

Ms. Beryl Okumu is an independent director and is the Chairperson of the Board.



Godfrey Ninito Lemiso




Mr Godfrey Ninito Lemiso was born on 24th December 1969. He holds a bachelors of Arts degree in geography and history from Kenyatta University, a masters of arts in peace and justice studies from University of San Diego California, USA.

He has over 30 years of work experience having served in various positions such as conflict management officer with the World Bank from 2007 to 2009, program officer with the UNDP from 2009 to 2010. Mr Ninito has also worked for the IEBC as the Manager Electoral planning and logistics for seven years. He is currently serving the jubilee party in the position of Director Logistics and events.


Over the years Mr Godfrey Ninito has been honored with various awards one of them being **2000 PEACENET PEACE AWARD** in recognition of peace initiatives he undertook in Narok and Trans Mara districts during 1992-1997 ethnic clashes. He serves as the chair of the NSCs capacity building and training subcommittee, member of Board of Governors of Kibiko Secondary School.

Mr. Godfrey Ninito Lemiso is an independent director and a member of the water and sewerage committee.

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | |
|---|--|
|  <p>Beatrice Njeri Maina</p> | <p>Ms Beatrice Njeri Maina was born on 20th November 1990 and she holds a Bachelor of Arts degree in community development from Mount Kenya University. She also has a diploma in Community development and social work from MT Kenya University.</p> <p>She has served the public in various positions; office administrator in the office of Muranga women rep in 2015, director of philanthropy and social welfare in 2016. Currently Beatrice serves as the executive director and Chief Executive Officer Greening Kenya Foundation a Non-Profit registered organization focussing environmental conservation, tree planting, forest protection, Governance, awareness and advocacy.</p> <p>Ms. Beatrice Njeri Maina is an independent director and a member of the resources and governance committee.</p> |
|  <p>Hon. Peter Irungu Kihungi</p> | <p>Hon Peter Irungu Kihungi was born on 9th September 1977 and he has a diploma in business management from pioneer international university. He has over 10 years work experience in public sector. He has served as councilor and chairman of Muranga county council from 2007 to 2013, member of county assembly and leader of majority from 2013-2017. He is currently an aspiring member of parliament for Kangema constituency.</p> <p>Hon. Peter Irungu Kihungi has been active in leadership articulating issues that matter to the people and promoting and defending government policies. He has strong leadership, communication, negotiation and persuasion skills.</p> <p>Hon. Peter Irungu Kihungi is an independent board member, a member and the chairperson of the resources and governance committee. He is the chair</p> |
|  <p>Sheila P.M. Mutunga</p> | <p>Ms Sheila P.M.Mutunga was born on 30th August 1954 in Machakos County. She is holder of higher diploma in Counselling Psychology and a degree in Theology She has attended various courses on the same over the years and is currently pursuing a degree in Counselling Psychology & Leadership.</p> <p>Ms Mutunga is a retired Civil Servant in the Ministry of Foreign Affairs and Kenyan Diplomat in United Kingdom, Italy and some African Countries. She has worked in various government and non-governmental organizations. She worked as Italy representative for (<i>Umoja As One</i>) an NGO that promotes, advocates and supports peace, unity and togetherness. Sheila was seconded to IGAD in 2002 where she was assigned special duties to the special envoy for Somali peace process.</p> <p>She was a parliamentary candidate in 2007 and 2013 and is keen on pursuing politics in future. She has been active in community work, promoting women and youth welfare groups while working with community-based organizations. Ms. Sheila Phyllis Mwikali Mutunga is an independent board member, a member and the chairperson of the water and sewerage committee; she's also a member of the audit and risk committee.</p> |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | |
|---|---|
|  | <p>Mr Benedict O. Kijuu was born on 13th Feb 1962 and he holds bachelors of commerce degree in banking. He has participated in various training such as corporate governance course for directors, public sector governance risk and compliance course, board evaluation seminar among others. He is a member of Institute of Directors</p> <p>Mr. Kijuu has expansive experience in both private and public sector. At Kenya planter's cooperative union, he served as the personnel manager from 1988 to 1997, he serves as a committee member of the Nairobi International Trade Fair. He also served as a member of Athi water services board from 2015 to 2018. Mr. Benedict Omondi Kijuu is an independent board member, a member and chairperson of the Audit and Risk committee.</p> |
|  | <p>Mr. Francis Anyona is an alternate Director representing the Principal Secretary of the National Treasury. Holds a Masters and Bachelor's Degree in Economics from the University of Nairobi. Has over 25 years' experience in Planning and Budgeting/Public Finance Management in the Public Sector. Previously served as an Alternate Director in the National Government Constituency Development Fund, Kenya National Bureau of Statistics, and Coffee Research Foundation. Currently is the Director of Budget at the National Treasury and A Commissioner representing the Cabinet Secretary at the Salaries and Remuneration Commission.</p> <p>Mr. Francis Anyona is a member of resources and governance; audit and risk committee.</p> |
|  | <p>Mr. Joseph Kiplang'at Keter is an alternate Director representing the Principal Secretary of the Ministry of water and sanitation. Holds Master of Business Administration (Project Management) from Kenyatta University and Bachelor of Arts in International Relations from United States International University of Africa. Currently serving as the Secretary Administration in the Ministry of Water and Sanitation from 5th October 2017. Mr Keter has also served as an Alternate Director to Principal Secretary Ministry of Water and Sanitation at Tanathi Water Services Board, Ministry of Interior rising from the rank of District Officer to the rank of County Commissioner.</p> <p>Mr. Joseph Kiplang'at Keter is a member of water and sewerage; audit and risk committee.</p> |
|  | <p>Eng Michael Thuita is the Chief Executive Officer.</p> <p>He holds a Bachelor's Degree in Agriculture Engineering and is registered with the Engineers Registration Board and Institution of Engineers of Kenya.</p> <p>Eng. Thuita has more than 20 years practical Engineering and management experience in Water, Irrigation and Natural Resources.</p> <p>He was appointed on 6th June 2017</p> |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021


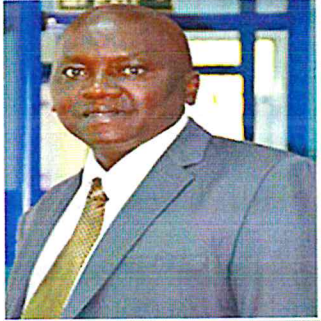

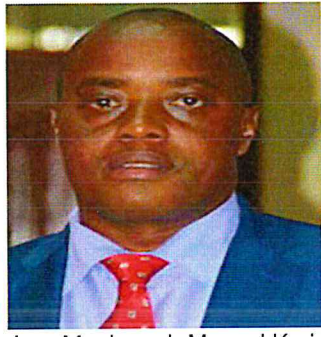


CS. Joyce N. Mukururi





CS Joyce N. Mukururi is the corporation secretary. She is an Advocate of the High Court and was admitted to the bar in October 2006. She Holds a Bachelor of Laws Degree, a Diploma in Law from the Kenya School of Law and is a Member of the Law Society of Kenya. She is a Certified Secretary of 13 years standing and a registered member of the Institute of Certified Secretaries. She is also a Certified Professional Mediator. She has a wealth of experience in the Mining, Reinsurance, Banking and Hospitality sectors. She was appointed on 1st May 2021.

**Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021**

3. MANAGEMENT TEAM

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | |
|---|--|
|  | <p>CS Joyce N. Mukururi is the corporation secretary. She is an Advocate of the High Court and was admitted to the bar in October 2006. She Holds a Bachelor of Laws Degree, a Diploma in Law from the Kenya School of Law and is a Member of the Law Society of Kenya.</p> <p>She is a Certified Secretary of 13 years standing and a registered member of the Institute of Certified Secretaries.</p> <p>She is also a Certified Professional Mediator.</p> <p>She has a wealth of experience in the Mining, Reinsurance, Banking and Hospitality sectors. She was appointed on 1st May 2021.</p> |
|  | <p>CPA, Dr. Christine Mawia Julius is the Manager, Finance and Accounts. She has over 15 years' experience in financial management.</p> <p>She is a certified public accountant of Kenya; she holds a master degree in Business Administration-Finance and a Bachelor Degree in Business Administration-Accounting Option. She was appointed on 1st May 2016.</p> |
|  | <p>CPA Matthew Ngugi Murigi is the Manager, Internal Audit. He has 23 years' overall experience.</p> <p>He is a Certified Public Accountant of Kenya and a Certified Public Secretary of Kenya. He has a degree in Bachelor of Arts and was appointed on 4th April 2007.</p> |
|  | <p>Mr. Tom Ongaki is the Manager- Information Technology. He holds a Bsc Information Sciences and an Msc Computer Science. Mr. Tom Ongaki has over 24 years' experience. He was appointed on 1st November 2015.</p> |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | |
|--|---|
|  | <p>Mr. Jones Kilonzi Mwinzi is the Manager, Supply Chain Management. He has 38 years of experience in Procurement and supply chain management. He has an Msc. Procurement and Logistics, Bachelor in Purchasing and supplies Management. He has a diploma in purchasing and supplies management. He is a member of Kenya institute of supplies management. He was appointed on 23rd March 2015.</p> |
| <p>9. Mr. Jones Kilonzi Mwinzi</p> | <p>Eng. Bonnie Nyandwaro is the Manager, Water Works Infrastructure Development. Eng Bonnie Nyandwaro has over 13 years' experience in Water and waste water engineering. She holds a Master Degree in Civil Engineering and a Bachelor Degree in Civil and Structural Engineering. She is a member of the Engineers Board of Kenya (EBK), a corporate Member of Institute of Engineers, Kenya, a founding Member of Kenya Young Water Professional Association and a founding Member Tunneling Association of Kenya. She was appointed on 1st May 2016.</p> |
|  | <p>10. Eng. Bonnie Nyandwaro</p> |

4. CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report for the financial year ending 30th June 2021 which indicates the institutions progress towards the accelerating access to water and sanitation strategy.

Covid-19 has reshaped our lives in ways that few of us could have imagined. It has had a tragic impact for many. Alongside the profound impact of the pandemic, there has been a fresh reminder of the importance of water. The pandemic has affected the water sector with higher demand for water and creating a greater need for support for customers in vulnerable circumstances, as well as opportunities for greater efficiency.

Throughout the pandemic period, Athi Water and its stakeholders have worked tirelessly to ensure safe and resilient supplies, adapting to the new normal of shifting patterns of water usage and increased demands for water from homeworkers, for hand washing and for hygiene.

As a Water Works Development Agency, we are here to enable and drive value creation for customers and the environment and to make sure that customers get their fair share of this value. We do this by working together with companies to tackle the long-term challenges we all face; by driving improvements in company performance and, where markets are established, by doing what we can to improve their effectiveness.

Our growing partnership working with the Ministry of Water, Sanitation and Irrigation, Nairobi Metropolitan Services (NMS) and Water Service Providers within our jurisdiction is contributing to greater insight into the needs of customers, particularly those who are vulnerable.

As we look beyond the pandemic, we will continue our work to drive performance improvements for customers, better environmental outcomes and innovation. FY 2020/21 has not been an easy year operationally, due to the COVID-19 pandemic and the restrictions and new ways of working put in place as a result, but the management team and our staff have made firm commitments to build on what we have learnt and deliver for all stakeholders as we progress to implement our strategic plan.

Transforming AWWDA

During the Financial year ending 30th June 2021, The Cabinet Secretary Water, Sanitation and Irrigation transitioned the employees of Athi Water Services Board (AWSB) to Athi Water Works Development Agency (AWWDA). To take us to the next level, AWWDA is transforming critical areas of the business. We are also investing in customer service, operations, people, assets and strategic planning so that we can make real progress. There is a lot to do, strategic prioritization of activities is critical. Innovation is essential to improve the way we serve our customers and renew our ageing infrastructure. We need to keep striving to be better – we will look for opportunities to accelerate our progress and become more efficient. As we invest, we shall balance our ambition with affordability, so we will work towards ensuring the best choices for our customers and the environment.

Shaping the future

Despite our current challenges, what is extremely exciting is the opportunity we have to shape the future and leave a positive legacy. As we prepare the new strategic plan for the FY 2022-2027, we shall be laying the foundation for the future and we will be working with you – our customers and our stakeholders in

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

developing the new strategic direction for AWWDA. We are focusing on some very important themes, from clean rivers and sustainable water supply to energy transition and community impact. We will work with you to evolve our plans.

There has been outcry on the state of our rivers and we intend to lay a lot of focus on sewage and rivers. We know we absolutely need to focus on making a difference to our rivers and we are challenging the status quo. However, it is something that will take time and money to get right. We are committed to working together to improve the rivers in our region. We are collaborating with our development partners including the African Development Bank (AfdB) and the Agence Française de Développement (AFD) to clean up the Nairobi Rivers and also ensure last mile connectivity to the sewerage systems.

Operating Safely and Delivering Services through the Pandemic

When the pandemic struck, we established three priorities: the care and safety of our employees and their families; the safety of our customers and the communities we serve; and the execution of our preparedness plans to deliver essential water and wastewater services to our customers across our footprint. We responded early to protect our employees by restricting business travel and instituting work-from-home for our office staff. We established safety directives that included limiting employee and customer in-person contact, emphasizing the use of personal protective equipment, and implementing social distancing and increased hygiene. Because we put our customers first, we were at the forefront of stopping service disconnections for nonpayment and the restoration of previously disconnected services.

Executing on the Fundamentals

Beyond our response to the pandemic, Athi Water continued to deliver upon our strategic goals, providing reliable and essential water and wastewater services. We commenced implementation of Nairobi Rivers restoration project (NARSIP 2) and the Nairobi Water and Sanitation project to strengthen the resiliency and reliability of our water and wastewater systems. We continue to make steady progress in driving efficiencies in our business. Improving our O&M efficiency is important because it ultimately helps our customers.

I want appreciate our brilliant staff and stakeholders who have kept the country running during a year like no other in living memory. As the pandemic hit our region, we knew just how important it was for our service to keep running as smoothly as possible. People needed us to make sure they had water for the really important things in life, with good hygiene being everyone's number one priority. The priorities for us became really clear – to focus on keeping water flowing, to support our customers as much as we could and to keep our people safe and well through this very difficult time.



BERYL OKUMU
CHAIRPERSON

**Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021**

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

It gives me great pleasure to present the results for the year 2020-2021; a year that proved quite challenging. In spite of these challenges, I got encouraged by the diligence, commitment, dedication and persistent effort shown by Athi Water Works Development Agency's (AWWDA's) staff. Athi Water continues to enjoy a strong financial standing, as demonstrated by the growth in asset base from Kshs 70.8 Billion in the previous financial year to Kshs 90.99 Billion in 2020-2021FY, representing an increase of 28.5%.

The year was defined by Covid-19 and its impacts on us all. The pandemic tested everyone and Athi Water and the entire water sector were no exception. Although the challenging economic environment brought exacerbated the pressure to the sector as whole, Athi Water was able to rise above these challenges by; adapting to new ways of working, maintaining supplies and providing additional support to the changing needs of both household and business customers. I want to pay tribute to AWWDA's leadership and all staff for their outstanding commitment during this time.

Our People and Recognition

We recognize that our employees are the most valuable resource in the company. Our employees have continued to demonstrate culture of innovation, ethics, and integrity which has created unparalleled value for our stakeholders. I could not be prouder of our employees' efforts during these unprecedented times. During the year, we continued to add talent to strengthen our Company with a focus on our core business areas of water and waste water asset development and management.

Stakeholder Engagement

AWWDA is cognizant of the great role undertaken by stakeholders in the attainment of its strategy and has put in place mechanisms for their active engagement. This helps AWWDA to leverage on stakeholder perspectives and insights to create a win-win situation. We proactively map out our various stakeholders with the aim of understanding and effectively managing their expectations.

Taking the Long View

AWWDA's ability to deliver high-level performance during an exceptionally challenging year is a testament to our values, our long-term strategies, our unwavering commitment to safety, and our emphasis on the well-being of our customers and the communities we serve. We believe our performance sets the stage for sustained growth for the long-term. On behalf of the Management and staff of AWWDA, I want to thank you for your continued support. We never forget that you, as our stakeholders, have put your confidence in us. We are proud of all we have achieved in 2020–2021 and we look forward to our brighter future.

Performance:

During the year under review, AWWDA managed to lay 499.78 Kilometers of water pipelines and 77.4 Kilometers of sewer pipelines of various diameters. During the same period the Institution achieved a customer satisfaction index 79%. AWWDA also finalized drilling of 100 boreholes which served as additional water sources for the informal settlements.

Finally, AWWDA remains actively committed to the betterment of society by making a positive impact on communities and those that we serve. We hope that you'll continue to support us through our journey as we strive to soar to greater heights.

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

We remain optimistic about the future despite the challenges ahead and we are prepared to take advantage of the opportunities to ensure that accelerated access to water and Sanitation is achieved. In the 2021/2022 financial year, we are committed to accelerating the delivery of our strategy while taking steps to become a stronger and sustainable institution. I am grateful to the Board of Directors, Great Athi Family, Ministry of Water Sanitation and Irrigation, The National Treasury, Development partners, County Governments, Water Service providers and all stakeholders for the support that we continue to receive from you in delivering our on our mandate.



ENG. MICHAEL M. THUITA
CHIEF EXECUTIVE OFFICER

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

6. STATEMENT OF ATHI WATER WORKS DEVELOPMENT AGENCY'S 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 entity's performance against predetermined objectives.

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

Pillar 1: Water Coverage

Pillar 2: Sewerage and Sanitation Coverage

Pillar 3: Investment resources for water and sanitation infrastructure development

Pillar 4: Operationalization of Bulk Water Services Provision

Pillar 5: Research and Development

Pillar 6: Leadership and Governance

Pillar 7: Institutional Sustainability

Athi Water Works Development Agency develops its annual work plans based on the above seven (7) pillars. Assessment of the Agency's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2020/2021 period for its seven (7) strategic pillars, as indicated in the diagram below:

| Strategic Programme/ Project Name | Objective | County | Expected Output | Time Frame | Current Status |
|--|---|------------------------------|---|------------|--|
| KRA 1: WATER COVERAGE: STRATEGIC OBJECTIVE: INCREASE ACCESS TO WATER IN AWWDA'S FROM 72.1% TO 80% BY 2022 | | | | | |
| Water & Sanitation Services Improvement | Additional water produced to serve 2 million people | Nairobi, Kiambu and Murang'a | Additional 140,000 m ³ /day for Nairobi | 2013-2019 | Complete |
| Northern Collector-AFD | Additional water supplied 2 million people | Nairobi | Additional 140,000m ³ /day to Kabete Nairobi | 2016-2021 | Ongoing. Overall physical progress of works at 95% complete. |
| Nairobi Water Distribution Network | Extension of water supply to 336,000 people in Nairobi | Nairobi | 45,000 additional connections in Nairobi | 2017-2021 | Ongoing. |
| Nairobi Satellite Towns Water and Sanitation | water and sewerage supply in Ruiru, Kiserian and Ongata Rongai to serve 338,000 | Kiambu and Kajado | Additional 338,000 people in Ruiru, Kiserian and Ongata Rongai served | 2017-2022 | Ongoing |
| Ithanga Water Supply | Enhance water supply within Ithanga area of Muranga county to serve | Murang'a | Additional 10,000m ³ /day of water produced | 2016-2022 | Ithanga phase I and II are complete. Currently |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| Strategic Programme/ Project Name | Objective | County | Expected Output | Time Frame | Current Status |
|--|---|-----------------------------------|--|------------|---|
| | 50,000 people | | | | mobilizing works contractor to undertake works for Phase III. |
| Oloitoktok Water and Sewerage Project | To increase access to water and sanitation to serve additional 40,000 people | Kajiado | Increase water capacity by 2000m3/day and sewerage Capacity of 6000m3/day | 2016-2019 | Complete |
| Kajiado Rural Water Supply | Enhance water supply to serve 50,000 people and livestock | Kajiado | Additional 8,000m3/day produced | 2016-2019 | Complete. |
| Kenya Towns Sustainable Water and Sanitation Project | Improve water and sewerage in Gatundu, Kikuyu, Limuru, Kiambu, Machakos, Changamwe, Pemba and Mwala to serve 800,000 people | Kiambu, Machakos, Makeni, Mombasa | Additional 25000m3/day of water produced and 26000 Sewer treated | 2018-2022 | Ongoing. |
| Karimenu II Dam WS Project | Additional Water produced for Ruiru, Juja and Thika areas to serve 600,000 people | Kiambu/Nairobi | Additional 47,000m3/day produced 23,000m3/day for Nairobi | 2017-2022 | Ongoing. |
| Ruiru II Dam WS project | Additional Water produced for Karuri, Kiambu and Githunguri to serve 700,000 people | Kiambu/Nairobi | Additional 51,000m3/day produced | 2018-2022 | Ongoing. |
| Nairobi Water and Sanitation Project | Rehabilitation of existing networks, reinforcement of the distribution system, 19 km-long one (600 mm diameter) pipeline crossing the city North to South from Kabete treatment plant, - distribution network extensions with 350 km of pipelines, as well as household | Nairobi | Rehabilitation of existing networks, reinforcement of the distribution system, 19 km-long one (600 mm diameter) pipeline crossing the city North to South from Kabete treatment plant, - distribution network extensions with 350 km of pipelines, as well as household connections and water meters | 2020-2022 | Procurement process ongoing |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| Strategic Programme/ Project Name | Objective | County | Expected Output | Time Frame | Current Status |
|---|--|------------------------------------|---|------------|--------------------------------|
| | connections and water meters | | | | |
| Theta Dam and Treatment Works Project | Additional Water produced to serve 50,000 people | Kiambu | Additional 4,000m ³ /day in Gatundu area | 2017-2018 | Completed |
| Thika and Githunguri Water and Sanitation Project | Improve water and sanitation in Githunguri and Thika to serve 500,000 people | Kiambu | Increase water capacity by 1000m ³ /day and 20km pipeline, Increase sewer Capacity by 8000m ³ /day in Githunguri. Restore water capacity by 32000m ³ /day and 20km pipeline, Increase sewer Capacity by 30,000m ³ /day, Lay 70km of sewer in Thika. | 2018-2022 | Preliminary phases are ongoing |
| Kiambaa Water Supply project | Additional water produced for Kiambaa area of Kiambu County to serve 300,000 people. | Kiambu | Additional 7430m ³ /day produced | 2018-2022 | Not started. |
| Development of Maragua 4 Dam | Additional Water produced for Nairobi Metro Area to serve 1.2 million people | Murang'a/Nairobi | Additional 216,000m ³ /day produced | 2019-2025 | Not started |
| Development of Gatei 1 Dam | Additional Water produced for Nairobi Metro Area to serve 1.2 million people | Nairobi & Athi river areas | Additional 132,000m ³ /day produced | 2019-2025 | Not started |
| Development of Kinale Dam | Additional Water produced for Nairobi Metro Area to serve Limuru, Lari and Kikuyu | Kiambu County | Additional 30,000m ³ /day produced | 2021-2025 | Not started |
| Development of Kamiti 1 Dam | Additional Water produced for Nairobi Metro Area to serve 1.2 million people | Nairobi, Kiambu & Athi river areas | Additional 16,416m ³ /day produced | 2021-2025 | Not started |
| Development of Gatamathi and Kahuti water supply | Additional Water produced for Muranga Area to serve 300,000 people | Muranga | Additional 30,000m ³ /day produced | 2021-2025 | Not started |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| Strategic Programme/ Project Name | Objective | County | Expected Output | Time Frame | Current Status |
|--------------------------------------|--|------------------------------------|-----------------------------------|------------|----------------|
| project | (Mathioya, Kangema, Kiharu | | | | |
| Thika 3A Dam | Additional Water produced for Nairobi Metro Area to serve 1.2 million people | Nairobi, Kiambu & Athi river areas | Additional 40,000m3/day produced | 2021-2025 | Not started |
| Northern Collector-Phase 2 | Additional Water produced for Nairobi Metro Area to serve 1.2 million people | Nairobi & Athi river areas | Additional 285,120m3/day produced | 2021-2025 | Not started |

| Strategic Programme/ Project Name | Objective | County | Expected Output | Time Frame | Current Status |
|--|---|------------------------------------|---|------------|--|
| KRA 2: SEWERAGE AND SANITATION COVERAGE | | | | | |
| INCREASE SANITATION COVERAGE IN THE AGENCY'S AREA OF JURISDICTION FROM 47% TO 70% BY 2022 | | | | | |
| Kiserian Sewerage Project | Improve sanitation services for Kiserian Town to serve 90,000 people | Kajiado | Additional 6000m3/day of sewer Treated and 16 Km sewer pipeline laid. | 2015-2022 | The project has stalled due to a court case and capacity shortcomings with regard to the contractor. |
| Oloitoktok Water and Sewerage Project | To increase access to water and sanitation to serve additional 40,000 people | Kajiado | Increase water capacity by 2000m3/day and sewerage Capacity of 6000m3/day | 2016-2019 | Complete. |
| Kenya Towns Sustainable Water and Sanitation Project | Improve water and sewerage in Gatundu, Kikuyu, Limuru, Kiambu, Machakos, Changamwe, Pemba and Mwala to serve 800,000 people | Kiambu, Machakos, Makueni, Mombasa | Additional 25000m3/day of water produced and 26000 Sewer treated | 2018-2022 | Ongoing. |
| Thika an Githunguri Water and Sanitation Project | Improve water and sanitation in Githunguri and Thika to serve 500,000 people | Kiambu | Increase water capacity by 1000m3/day and 20km pipeline, Increase sewer Capacity by 8000m3/day in Githunguri. Restore | 2018-2022 | Project in the procurement stage. |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| Strategic Programme/ Project Name | Objective | County | Expected Output | Time Frame | Current Status |
|---|---|---------|---|------------|--|
| | | | water capacity by 32000m3/day and 20km pipeline, Increase sewer Capacity by 30,000m3/day, Lay 70km of sewer in Thika. | | |
| Nairobi Rivers Basin Restoration Programme Phase 2: Sewerage improvement | Increase access to sewerage services for the Nairobi to serve 1.2 million people | Nairobi | 240km sewerage network and sewerage capacity of 160,000m3/day | 2019-2022 | Ongoing |
| Nairobi Water and Sanitation Project | Laying more than 60 km of secondary networks in the Riruta Satellite neighbourhood, West of the city; laying more than 60 km of secondary networks in the Zimmerman, Karasani and Roysambu neighbourhoods, North-West of the city; laying more than 100 km of secondary networks in other parts of the city where trunk sewers are already installed. | Nairobi | Laying more than 60 km of secondary networks in the Riruta Satellite neighbourhood, West of the city; laying more than 60 km of secondary networks in the Zimmerman, Karasani and Roysambu neighbourhoods, North-West of the city; laying more than 100 km of secondary networks in other parts of the city where trunk sewers are already installed. | 2020-2023 | Procurement processes initiated |
| East Nairobi Sewerage | Increase access to sewerage services for Nairobi to serve 2 million people. | Nairobi | 684km sewerage network and two sewerage Treatment plants of a combined capacity 90,000m3/day | 2019-2022 | Procurement of works contractor ongoing. |
| Pilot of Omni processor technology for sanitation in selected urban centres | Enhance waste water treatment in selected urban centres | Nairobi | 1 No. Omni processor | 2019-2022 | Not started |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| Strategy | Objective | Key performance indicators | Timeframe | Current Status |
|---|--|---|-----------|---|
| KRA 3: INVESTMENTS AND RESOURCE MOBILIZATION: STRATEGIC OBJECTIVES: MOBILIZE KSHS. 234.775 BILLION FOR WATER AND SANITATION DEVELOPMENT BY 2022 | | | | |
| Prepare long term investment and financing plans for water and sewerage. | Prepare water, sewerage, energy investment and financing plans | No. of investment and Financial Plans Developed | 2018-2022 | ongoing |
| Identify alternative sources of financing | Package the investment plan into various financing mixes including development banks, PPPs, EPC-F, Capital Markets and Project Finance | No. of alternative investments identified | 2018-2022 | ongoing |
| PILLAR 4: OPERATIONALIZATION OF BULK WATER SERVICES PROVISION STRATEGIC OBJECTIVE: ESTABLISH OPERATIONAL OFFICES FOR NORTHERN COLLECTOR SYSTEM, RUIRU II DAM AND KARIMENU II DAM BY 2022 | | | | |
| Develop a framework for operation of waterworks and provision of water services. | Establish and equip a unit of operation and maintenance Identify new projects and put in place infrastructure necessary for their operation | % progress in the setting up of a unit for operation and Maintenance. No. of new projects identified | 2018-2022 | Key infrastructure has been identified and Gazetted as National Infrastructure for water The Karimenu II satellite offices have been opened and operation. |
| PILLAR 5: RESEARCH AND DEVELOPMENT STRATEGIC OBJECTIVE: TO PROMOTES RESEARCH, DEVELOPMENT AND ADOPTION OF APPROPRIATE TECHNOLOGY | | | | |
| | Facilitate investment in research and development that is able to increase corporate research output. | No. of research papers produced | 2018-2022 | ongoing |
| | | No. of collaborative research work undertaken | 2018-2022 | ongoing |
| KRA 6: LEADERSHIP AND GOVERNANCE: STRATEGIC OBJECTIVE: INCREASE STAKEHOLDERS SATISFACTION BY 5% ANNUALLY THROUGH 2022 | | | | |
| Ensure adherence to internal processes and procedures | Review and update AWWDA risk management framework to incorporate emerging issues | No. of risk management framework put in place | 2018-2022 | Risk framework updated |
| Maintain statutory and regulatory compliance | Prepare and submit quarterly reports | No. of reports timely developed and feedback provided | 2018-2022 | Ongoing |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| Strategy | Objective | Key performance indicators | Timeframe | Current Status |
|--|---|--|-----------|--|
| Enhance institutional integrity and anti-corruption measures | Review and update the code of ethics for staff and Board of Directors Undertake corruption risk management through the Corruption Prevention and Oversight Committee | Measures undertaken to implement chapter 6 of the constitution No. of reviews and updates to the code of ethics No. of quarterly reports submitted on anti-corruption measures | 2018-2022 | Ongoing |
| KRA 7: INSTITUTIONAL SUSTAINABILITY STRATEGIC OBJECTIVE: ENHANCED INSTITUTIONAL PERFORMANCE | | | | |
| Implement strategic asset management | Engage relevant bodies and acquire necessary documents for land and way leaves Initiate the development of asset management policy | No. of strategic asset management Framework Developed and implemented | 2017-2022 | Asset management policy developed and approved by the Board Asset valuation currently under way |
| Achieve and sustain a high-performance culture at Athi Water | Plan for and undertake a baseline Procure a consultant to review and update the schemes of service Develop a succession plan | No. of quality control and performance measure put in place | 2018-2022 | Baseline survey NOT yet undertaken All Activities not yet done |
| To set aside Kshs 2 million per annum for environmental protection and climate change mitigation measures. | Implementation of climate change Mitigation measures | No of measures implemented | 2018-2022 | Ongoing |
| To Reduce Non-Revenue Water to 30% by 2022 | Undertake investment to reduce the Non-revenue water in AWWDA area. | Quantity of water made available. | 2018-2022 | Not yet done Customers Identification Survey undertaken |
| Knowledge management and innovation | Develop a knowledge management policy | No. of new innovations and knowledge management framework developed. | 2018-2022 | Knowledge management Policy not yet develop |
| Undertake Monitoring and Evaluation of Athi Water operations and projects | Establish a M&E unit/Committee M&E needs assessment and initiate training of staff on M&E | No. of M&E activities undertaken | 2018-2022 | M&E ongoing Needs assessment and training for M&E staff not done. |
| Promote the use and adoption of | Review, update and implement IMS | No. of information management systems procured or adopted | 2018-2022 | ERP system procured and being implemented. |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

The annual performance targets of AWWDA are tied to the 2018-2022 strategic plan which is broken down into annual operation plans. As guided by the Performance Contract Guidelines (17th cycle), the Agency's annual strategic intents are closely linked to the pillars/Key result areas. The 2020/2021 performance contract self-assessment report is indicated below;

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

PERFORMANCE CONTRACT MATRIX FOR THE FY 2020/2021

| S/no. | Performance Criteria | Unit of Measure | Weight (%) | Status Previous Year (FY 2019/20) | Target (FY 2020/21) | ACTUAL (FY 2020/21) |
|----------|---|-----------------|--------------|-----------------------------------|---------------------|---------------------|
| A | Financial Stewardship and Discipline | | | | | |
| A1 | Absorption of Allocated Funds (GoK) | % | 2.00 | 65.00 | 100.00 | 98.00 |
| A2 | A-in-A | Kshs | 2.00 | 116,850,000.00 | 45,000,000.00 | 125,320,000 |
| A3 | Absorption of Externally Mobilized Funds | % | 3.00 | 97.00 | 100.00 | 98.00 |
| A4 | Pending Bills | % | 3.00 | 8.04 | 1.00 | 0 |
| | Weight Sub-total | | 10.00 | | | |
| B | Service Delivery | | | | | |
| B1 | Implementation of Citizens' Service Delivery Charter | % | 4.00 | 100.00 | 100.00 | 100.00 |
| B2 | Application of Service Delivery Innovations | % | 3.00 | 0.00 | 100.00 | 100.00 |
| B3 | Resolution of Public Complaints | % | 3.00 | 99.00 | 100.00 | 100.00 |
| | Weight Sub-total | | 10.00 | | | |
| C | Core Mandate | | | | | |
| C291 | Northern Collector Water Tunnel Project Implemented | % | 4.00 | 70.00 | 100.00 | 95.00 |
| C292 | Ndakaini-Kigoro-Gigiri Raw and Treated Water Pipelines Constructed | KMs | 2.00 | 16.00 | 23 | 18.28 |
| C293 | Ruiru II Dam Water Project Constructed | Acres | 2.00 | N/A | 60.00 | 75.00 |
| C294 | Karimenu II Dam Water Project Constructed | % | 4.00 | 10.00 | 50.00 | 45.00 |
| C295 | East Nairobi City Water Distribution Network (Kiambu-Embakasi Pipeline) Project Implemented | KMs | 4.00 | 23.00 | 24 | 24 |
| C296 | West Nairobi City Water Distribution Network (Kabete-Karen Pipeline) Project Implemented | % | 4.00 | 79.00 | 100.00 | 93.00 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| S/no. | Performance Criteria | Unit of Measure | Weight (%) | Status Previous Year (FY 2019/20) | Target (FY 2020/21) | ACTUAL (FY 2020/21) |
|-------|---|-----------------|------------|-----------------------------------|---------------------|---------------------|
| C297 | Kikuyu Water Supply and Sanitation Project Implemented | % | 3.00 | 24.00 | 76.00 | 76.00 |
| C298 | Kiambu and Ruaka Water Supply and Sanitation Project Implemented | % | 2.00 | 25.00 | 60.00 | 50.00 |
| C299 | Gatundu Urban Water Supply and Sanitation Project Implemented | % | 2.00 | 7.00 | 33.00 | 20.00 |
| C2910 | Limuru Water and Sanitation Project Implemented | % | 2.00 | 26.00 | 74.00 | 62.00 |
| C2911 | Makutano/Kenol Water and Sanitation Project. | % | 2.00 | 0.00 | 30.00 | 15.00 |
| C2912 | Nairobi Satellite Towns Water Supply Improvement Project-Ruiru Water Supply Project Implemented | % | 3.00 | 5.00 | 35.00 | 35.00 |
| C2913 | Nairobi Satellite Towns Water Supply Improvement Project-Ongata Rongai/ Kiserian Water Supply Project Implemented | % | 3.00 | 5.00 | 75.00 | 75.00 |
| C2914 | Ithanga Water Supply Project Constructed | KMs | 2.00 | 9.00 | 18 | 22 |
| C2915 | Oloitokitok Water Supply Project Completed | % | 3.00 | 70.00 | 100.00 | 100.00 |
| C2916 | Sanitation Blocks in Nairobi Informal Settlements Constructed | No | 1.00 | N/A | 15 | 9 |
| C2917 | Nairobi Regeneration Sewer Rehabilitation Project Implemented | % | 1.00 | 63.00 | 92.00 | 95.00 |
| C2918 | Gatundu water supply works project Implemented | % | 1.00 | N/A | 100.00 | 100.00 |
| C2919 | Kiambu County Community Water Supply Augmentation | KMs | 1.00 | 20.00 | 80 | 100 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| S/no. | Performance Criteria | Unit of Measure | Weight (%) | Status Previous Year (FY 2019/20) | Target (FY 2020/21) | ACTUAL (FY 2020/21) |
|----------|---|-----------------|--------------|-----------------------------------|---------------------|---------------------|
| C2920 | Muranga County Community Water Supply Augmentation | KMs | 1.00 | 25.00 | 55 | 60 |
| C2921 | Construction of Kahawa West, Githurai, Kahawa Sukari Reticulation Sewer project | % | 1.00 | N/A | 40.00 | 10.00 |
| C2922 | Construction of Kasarani/Mwiki Sewerage Improvement Project Completed | % | 2.00 | N/A | 30.00 | 20.00 |
| C2923 | Construction of Nairobi East/West sewerage improvement project | % | 1.00 | N/A | 30.00 | 20.00 |
| C2924 | Relocation of water and Sewers Pipelines along Nairobi Express Way project | % | 2.00 | N/A | 50.00 | 50.00 |
| C2925 | Extension of Gatango Water Supply Project | KMs | 2.00 | N/A | 180 | 180 |
| C2926 | Construction of Kibera Water and Sanitation Project Completed | % | 1.00 | N/A | 100.00 | 100.00 |
| C2927 | Rehabilitation and expansion of Dandora Estate sewerage Treatment plant | % | 1.00 | N/A | 100.00 | 160.00 |
| C2928 | Implementation of Thika and Githunguri Water and Sanitation Project | % | 1.00 | N/A | 100.00 | 100.00 |
| C2929 | Project Completion Rate | % | 2.00 | 100.00 | 100.00 | 100.00 |
| | Weight Sub-total | | 60.00 | | | |
| D | Implementation of Presidential Directives | | | | | |
| D1 | Implementation of Presidential Directives | % | 2.00 | 100.00 | 100.00 | 100.00 |
| | Weight Sub-total | | 2.00 | | | |
| E | Access to Government Procurement Opportunities | | | | | |
| E1 | Access to Government Procurement Opportunities | Kshs | 3.00 | 66,560,000.00 | 43,100,000.00 | 209,160,000.00 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| S/no. | Performance Criteria | Unit of Measure | Weight (%) | Status Previous Year (FY 2019/20) | Target (FY 2020/21) | ACTUAL (FY 2020/21) |
|----------|--|-----------------|---------------|-----------------------------------|---------------------|---------------------|
| | (AGPO) | | | | | |
| | Weight Sub-total | | 3.00 | | | |
| F | Promotion of Local Content in Procurement | | | | | |
| F1 | Promotion of Local Content in Procurement | Kshs | 2.00 | 2,139,000,000.00 | 818,000,000.00 | 3,030,950,000.00 |
| | Weight Sub-total | | 2.00 | | | |
| G | Cross - Cutting | | | | | |
| G1 | Asset Management | % | 1.00 | 100.00 | 100.00 | 100.00 |
| G2 | Youth Internships/ Industrial Attachments/ Apprenticeships | No | 1.00 | 31.00 | 18 | 44 |
| G3 | Competence Development | % | 1.00 | 100.00 | 100.00 | 100.00 |
| G4 | Disability Mainstreaming | % | 1.00 | 57.00 | 100.00 | 100.00 |
| G5 | Gender Mainstreaming | % | 1.00 | N/A | 100.00 | 100.00 |
| G6 | Prevention of Alcohol and Drug Abuse | % | 1.00 | N/A | 100.00 | 100.00 |
| G7 | Prevention of HIV Infections | % | 1.00 | 76.25 | 100.00 | 100.00 |
| G8 | Safety and Security Measures | % | 1.00 | 80.00 | 100.00 | 100.00 |
| G9 | National Cohesion and Values | % | 1.00 | 100.00 | 100.00 | 100.00 |
| G10 | Road Safety Mainstreaming | % | 1.00 | N/A | 100.00 | 100.00 |
| G11 | Corruption Prevention | % | 3.00 | 54.50 | 100.00 | 100.00 |
| | Weight Sub-total | | 13.00 | | | |
| | Total Weight | | 100.00 | | | |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

7. CORPORATE GOVERNANCE STATEMENT

Introduction

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

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

The Board

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

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

Roles and Functions of the Board

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

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

- To monitor compliance with the Constitution, all applicable laws, regulations and standards
- To review and ensure that AWWDA is effective and effectively delivering on its mandate.

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

- Water and Sewerage Committee
- Resources and Governance Committee
- Audit and Risk Committee

The committees are compliant with the provisions of Mwongozo and Head of the Public Service Circular Ref. OP/CAB.9/1A dated 11th March 2020 and are subjected to rotation of members after a period of twelve months as stipulated. The changes on committee reconstitution are reported to the State Corporations Advisory Committee pursuant to section 9 of the State Corporations Act, Cap. 446.

The Board Chairperson does not sit in committees.

The Current Committee Constitution is as follows:

| WATER AND SEWERAGE COMMITTEE | |
|-------------------------------------|---|
| NAME | DESIGNATION |
| Sheila Phyllis Mwikali Mutunga | Committee Chairperson |
| Godfrey Ninito Lemiso | Member |
| Joseph Keter | Alt. Director PS Ministry of Water, Sanitation and Irrigation |

| RESOURCES AND GOVERNANCE COMMITTEE | |
|---|------------------------------------|
| NAME | DESIGNATION |
| Hon. Peter Irungu Kihungi | Committee Chairperson |
| Beatrice Njeri Maina | Member |
| Francis Anyona | Alt. Director PS National Treasury |

| AUDIT AND RISK COMMITTEE | |
|---------------------------------|---|
| NAME | DESIGNATION |
| Benedict Omondi Kijuu | Committee Chairperson |
| Sheila Phyllis Mwikali Mutunga | Member |
| Francis Anyona | Alt. Director PS National Treasury |
| Joseph Keter | Alt. Director PS Ministry of Water, Sanitation and Irrigation |

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

Board Charter

The roles and responsibilities of Board Members as well as functions and structure of the Board are provided in the Board Charter. The Board is structured in a way that supports the members in carrying out their oversight function. It provides the Board Members with an opportunity to think creatively and critically on how their strategic and

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

operational plans align with the organisation's strategic direction and expectations founded on good governance. The Charter helps the Board in directing AWWDA to maximise long term value of services provided to all stakeholders.

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

The Charter guides the Board on the following matters;

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

Appointment of Board Members

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

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

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

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

- **Qualification of members:** In making the appointments, the appointing authority shall have regard to Article 10 of the Constitution of Kenya on national values and principles of governance, Article 232 of the Constitution of Kenya on values and principles of public service, the academic qualifications, professional experience, character and integrity of the potential candidates for appointment, gender, regional and ethnic diversity. (section 2 of the Schedule)
- **Identification for appointment:** The Chairperson and members shall be identified for appointment through an open competitive process (section 2(2) of the First schedule)
- **Term of office:** A member shall hold office for such term not exceeding three years as may be specified by the instrument of appointment. A member shall be eligible for reappointment for one further term.

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

AWWDA Board Memberships

In the Financial year 2020/21, the board membership was as follows:

| NAME | Office Held | Date of appointment | Date of Expiry (as per appointment letter) | Nature of Directorship |
|--------------------------------|--|---------------------|--|---|
| Beryl Okumu | Chairperson | 7/08/2020 | 7/08/2023 | Independent |
| Hon. Eng. John Kiragu Chege | Chairperson | 7/02/2019 | 7/08/2020 (revoked) | Independent |
| Hon. Peter Irungu Kihungi | Member | 7/02/2019 | 7/02/2022 | Independent |
| Benedict Kijuu Omondi | Member | 7/02/2019 | 7/02/2022 | Independent |
| Beatrice Njeri Maina | Member | 7/02/2019 | 7/02/2022 | Independent |
| Sheila Phyllis Mwikali Mutunga | Member | 7/02/2019 | 7/02/2022 | Independent |
| Godfrey Ninito Lemiso | Member | 7/02/2019 | 7/02/2022 | Independent |
| Joseph Keter | Alt. Director to PS Ministry of Water, Sanitation and Irrigation | 28/06/18 | | Alternate Director PS. Ministry of Water, Sanitation and Irrigation |
| Francis Anyona | Alt Director to PS – The National Treasury | 17/04/15 | | Alternate Director, PS. National Treasury |

The **Inspector-General (Corporations)** is represented by **Mr. Isaac Omondi Odek** who was appointed with effect from 13th July 2020 in accordance with section 18 of the State Corporations Act Cap.446.

Further, during the year, the appointment of Eng. John Kiragu Chege as the Board Chairperson was revoked with effect from 7th August 2020. The revocation was made vide a special Gazette Notice No. 6729 issued on 7th September 2020.

Following the revocation, Ms. Beryl Okumu was appointed Board Chairperson for a period of three (3) years with effect from 7th August 2020. The appointment was made vide Gazette Notice No. 5469 issued on 7th August 2020.

However, the appointment of Ms. Beryl Okumu as Chairperson of AWWDA, was suspended via interim court orders issued on 2nd September 2020 in **ELRC PET/E037/2020 Joseph Kariuki Njenga vs The Cabinet Secretary Ministry of Water Sanitation and Irrigation, the Attorney General, Beryl Okumu Odinga and Athi Water Works Development Agency.**

The suspension orders were however lifted on 8th March 2021 pending hearing and determination of the Suit. Consequently, Ms. Beryl Okumu therefore reinstated as the Board Chairperson on the 8th March 2021.

The Board is well composed in terms of range and diversity of skills, knowledge, age and experience in various sectors which makes it effective and provides an appropriate balance for the oversight of AWWDA's mandate. On gender, the Board has three (3) women out of Eight (8) members.

Succession Planning

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

Removal of Board Members

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

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

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

Role of the Corporation Secretary

The Principle duties of the Corporation Secretary are as follows:

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

Board Induction and Trainings

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

Consequently, during the Financial Year 2020/21, the Board Members undertook several induction and training programs. The trainings covered; induction of the reconstituted committees, Water Sector Reforms, Ethical and Legacy Leadership, Audit and Risk, Public Participation and Stakeholder Management, Anti-Corruption and Fraud Management and Performance Management.

Board Remuneration

Board Remuneration is determined by the Government of Kenya through relevant circulars and Regulations. Remuneration for the Board in the Financial Year 2020/21 was guided by GOK Circular OP/CAB.9/21/2A/LII/43 dated 23rd November, 2004; the Guidelines on Terms and Condition of Service for State Corporations, Chief Executive Officers, Chairmen and Board Members, Management Staff and Unionisable Staff.

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

Accommodation and travel allowances on local travel and International Travel and lunch allowance is governed by Circular No. OP/SCAC.9/21.2 Vol.1 (164) dated 28th April 2015.

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

Board attendances

In line with Mwongozo and the First Schedule of the Water Act, 2016, the AWWDA Board Charter at Clause 4.1 provides that the Board shall meet as often as necessary but not less than four times a year. The meetings of the Board were scheduled in advance.

A total of 9 Board Meetings were held during the financial year. The respective attendances by Board Members was as follows:

| NATURE OF MEETING AND DATE | Beryl Okumu | Eng. John Kiragu Chege | Benedict Kijuu Omondi | Godfrey Ninito Lemiso | Sheila Phyllis Mwikali Mutunga | Beatrice Njeri Maina | Peter Irungu Kihungi | Francis Anyona, OG W (Alt Director PS. NT) | Joseph Keter (Alt Director PS. MOWSI) | Isaac Omondi Odek (IGC) (In attendance) |
|---|-------------|------------------------|-----------------------|-----------------------|--------------------------------|----------------------|----------------------|--|---------------------------------------|---|
| 2.07.2020 6 th SPECIAL Meeting of the Board | N/A-PA | x | x | x | x | x | x | x | x | N/A- PA |
| 14.07.2020 7 th Regular Meeting of the Board | N/A- PA | x | x | x | x | x | x | x | x | - |
| 14.08.2020 8 th Regular Meeting of the Board | - | - | x | x | x | x | x | x | x | - |
| 28.09.2020 9 th Regular Meeting of the Board | - AC | N/A- AR | x | x | x | x | x | x | x | - |
| 13.10.2020 10 th Regular Meeting of the Board | - AC | N/A- AR | x | x | x | x | x | x | x | x |
| 7.12.2020 7 th Special Meeting of the Board | -AC | N/A- AR | x | x | x | x | x | x | x | x |
| 14.01.2021 11 th Regular Meeting | -AC | N/A- AR | x | x | x | x | x | x | x | x |
| 28.01.2021 8 th Special Meeting of the Board | -AC | N/A- AR | x | x | x | x | x | x | x | x |
| 14.04.2021 12 th Regular Meeting of the Board | - | N/A- AR | x | x | - | x | x | x | x | x |

Key

x- Present - Absent

N/A- PA Not Applicable as meeting was held prior to appointment

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

N/A- AR- Not Applicable as meeting was held After Revocation

AC- Absent Pursuant to a court Order suspending Appointment

Committee Meeting Attendances

A. WATER AND SEWERAGE COMMITTEE

A total of 4 committee meetings were held during the year. The attendances were as follows:

| NATURE OF MEETING AND DATE | Peter Irungu Kihungi (Committee Chairperson) | Beatrice Njeri Maina (Member) | Joseph Keter (Alt Director, PS, MOWSI) | Isaac Omondi Odek (IGC) (In attendance) |
|---|---|----------------------------------|---|---|
| 9.07.2020 4th Regular Water & Sewerage Committee | x | x | x | N/A- PA |
| 6.10.2020 5th Regular Water & Sewerage Committee | x | x | x | - |
| 6.01.2021 6th Regular Water & Sewerage Committee | x | x | x | x |
| 7.04.2021 7th Regular Water & Sewerage Committee | x | x | x | x |

Key

x- Present

- Absent

N/A- PA Not Applicable as meeting was held prior to appointment

IGC- Inspector General (Corporations)

MOWSI- Ministry of Water, Sanitation and Irrigation

B. RESOURCES AND GOVERNANCE COMMITTEE ATTENDANCES

A total of 7 committee Meetings were held during the financial year with the respective attendances by Board Members was as follows:

| NATURE OF MEETING AND DATE | Benedict Omondi Kijuu (Committee Chairperson) | Sheila Mutunga (Member) | Francis Anyona (Alt Director, PS, NT) | Isaac Odek (IGC) (In attendance) |
|--|--|----------------------------|--|--|
| 10.07.2020 5th Regular Resources & Governance Committee | x | x | x | N/A- PA |
| 17.09.2020 6th Regular Resources & Governance Committee | x | x | x | x |
| 8.10.2020 7th Regular Resources & Governance Committee | x | x | x | x |
| 3.12.2020 3 rd Special Resources & Governance Committee | x | x | x | x |
| 8.01.2021 8 th Regular Resources & Governance Committee | x | x | x | x |
| 26.01.2021 4 th Special Resources & Governance Committee | x | x | x | x |
| 9.04.2021 9 th Regular Resources & Governance Committee | x | x | x | x |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

Key

x- Present - Absent
 N/A- PA Not Applicable as meeting was held prior to appointment
 IGC- Inspector General (Corporations)
 NT- National Treasury

C. AUDIT AND RISK COMMITTEE ATTENDANCES

| NATURE OF MEETING AND DATE | Godfrey Ninito Lemiso (Committee Chairperson) | Peter Irungu Kihungi (Member) | Francis Anyona (Alt Director, PS. NT) | Joseph Keter (Alt Director, PS. MOWSI) | Isaac Odek (IGC) (In attendance) |
|--|---|-------------------------------|---------------------------------------|--|----------------------------------|
| 8.07.2020 4th Regular Audit and Risk Committee | x | x | x | x | N/A- PA |
| 15.09.2020 5th Regular Audit and Risk Committee | x | x | x | x | x |
| 7.10.2020 6th Regular Audit and Risk Committee | x | x | x | x | x |
| 7.01.2021 7th Regular Audit and Risk Committee | x | x | x | x | x |
| 8.04.2021 8th Regular Audit and Risk Committee | x | x | x | x | x |

Key

x- Present - Absent
 N/A- PA Not Applicable as meeting was held prior to appointment
 IGC- Inspector General (Corporations)
 MOWSI- Ministry of Water, Sanitation and Irrigation
 NT- National Treasury

Board Performance Evaluation

In accordance with Mwongozo, the Board Charter provides at Clause 3.3.6.1 that the Board will conduct annual evaluation to appraise its performance. Clause 3.3.6.3 also provides that at least once a year, the Board shall discuss its own activities and those of its individual members, the effectiveness of such activities and the composition and competence of the Boards and its committees.

A board evaluation for the FY 2019/20 was carried out by the State Corporation Advisory Committee on 2nd July 2020. The Board Evaluation for the FY 2020/21 is scheduled for 20th July 2021.

Conflict of Interest

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

Ethics and Conduct

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

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

Governance Audit

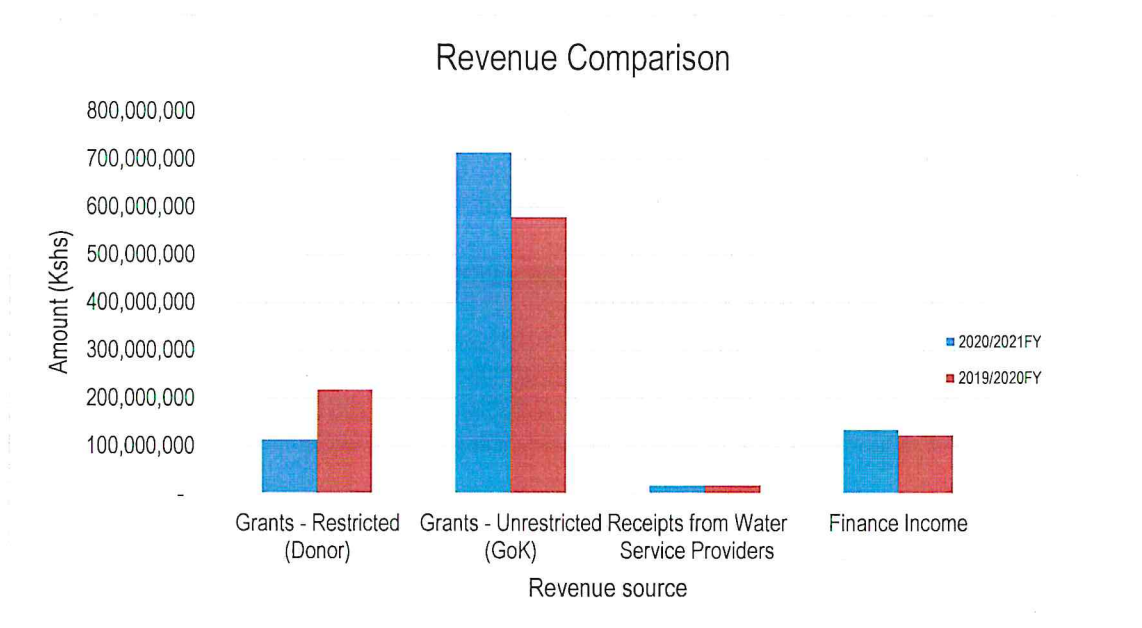
A governance Audit is undertaken by an organisation to ensure that the organisation conforms to the highest degree of good governance. It is a requirement of Mwongozo that a Governance audit is conducted annually. In the year 2020/21 a governance audit was not conducted for lack of adequate Accredited Governance Auditors by the State Corporations Advisory Committee (SCAC).

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

8. MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

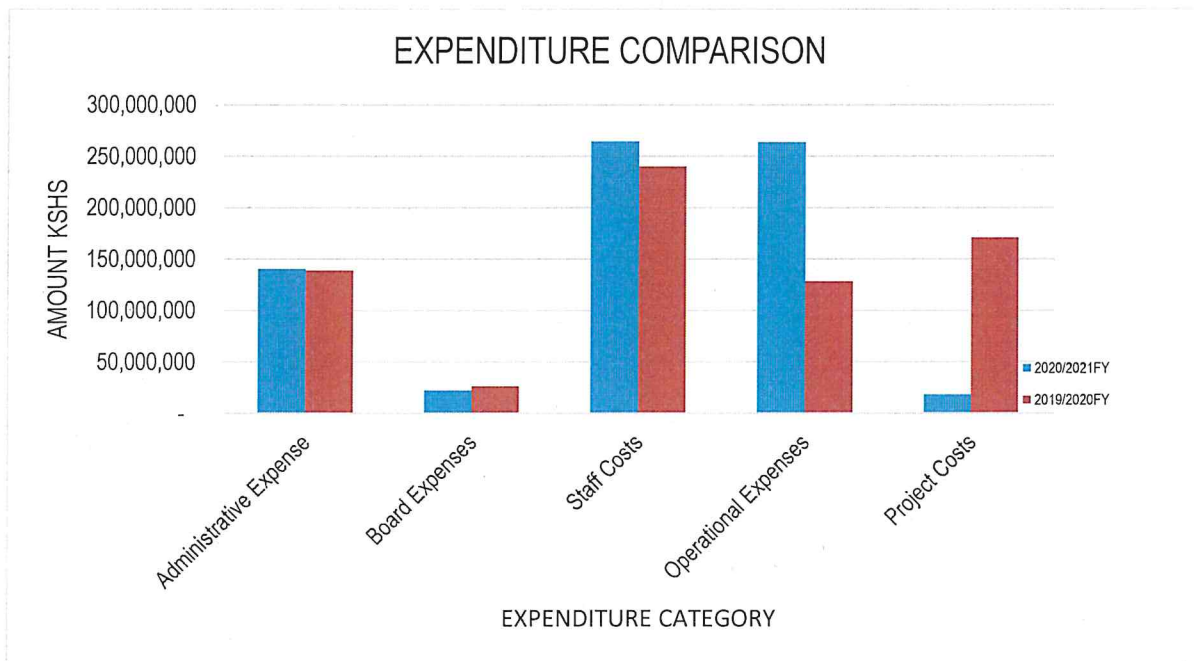
During the 2020/2021FY, AWWDA received an allocation of Kshs 394 Million from the ministry of water and Sanitation for salaries and administration purposes. The entity also earned additional revenue of Kshs 150,392,985 being interest on deposit, miscellaneous income and some loan remittances from WSPs while the GoK deferred income allocation amounted to Kshs. 319,958,605. Development partner grants earned in the year amounted to Kshs 112,515,202 being allocations from deferred income and direct project costs. The total income for the year was Kshs 976,884,189 against an expenditure of Kshs 705,665,148 before depreciation, interest and provisions. AWWDA transferred a total deficit of Kshs. 562,253,418 after incorporating depreciation, Tax on interest income, loan interest due and provisions. The chart below gives the revenue breakdown as compared to same period last year:



Expenditure comparison

The chart below gives a breakdown of the expenditure comparison for the years 2020/2021 and 2019/2020

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021



Asset development

AWWDA developed and/or acquired assets worth Kshs 19,649,032,356 in the 2020/2021FY most of which are in work in progress.

Major Risks

AWWDA is faced with delays due to land and way leave acquisition challenges. Such delays result to lack of timely completion of projects hence delays in service delivery for the target population. Such delays have had negative implication on donor confidence due to inability by the government to meet their commitment under the financing agreements.

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

Projects implemented or were on-going in the year

Developing innovative and sustainable water services solutions that transform life and inspire progress underpins our corporate mission. In the period under review, and as part of implementation of our strategic plan, AWWDA continued to implement the following projects, during the 2020/2021FYFY:

| No. | Project Name | Project status | Projected Timelines | | Estimated Cost of Projects | Expected Output |
|-----|--|--|---------------------|--------------------|----------------------------|--|
| | | | Start Date | End Date | | |
| 1 | Nairobi Water Distribution Network | The works were at 86.50 % by the end of the FY | 26th June 2014 | 30th November 2019 | 4,543,000,000 | Provide additional water to residents living in Utawala, Embakasi, and Ruai areas. Provide additional 5,000m3/d to residents in Karen and improvement of access to water and sanitation in selected informal settlements |
| 2 | Nairobi Satellite Towns Water and Sanitation Program | Works were yet to start by the end of the FY but all the works contracts were signed | 28th September 2015 | 30th June 2021 | 3,388,000,000 | Improved access to water supply through construction of transmission and distribution network and distributing 14,000m3/d water in Kiserian, ongata rongai, Githurai and Mwhoko |
| 3 | Extension Of Nairobi Water Supply (Northern Collector) | 84 % of the works have been done | 17th January 2014 | 31st December 2019 | 10,000,000,000 | Treatment and transmission of additional 140,000m3/day to Kabete Nairobi |
| 4 | Ithanga Water supply | The works were at 80.3% by the end of the FY | 15th April 2016 | 15th October 2019 | 1,200,000,000 | Deliver additional 9,000m3/day (from existing 1,200m3/d pumped system) to areas of Kakuku, Ithanga |
| 5 | Water & Sanitation Services & Improvement Project (Athi WSB) | 90 % of the program works have been done | 19th December 2012 | 15th December 2019 | 16,000,000,000 | Additional 140,000 m3/day for Nairobi; 14,000 m3/day for Muranga, 14,000m3/day for Kiambu, 14,000 m3/day for Meru, Machakos, Makueni, Kitui and Kajiado counties |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| No. | Project Name | Project status | Projected Timelines | | Estimated Cost | Expected Output |
|-----|---|--|---------------------|--------------------|----------------|---|
| 6 | Rehabilitation Of Water Supply And Sewerage For Oloitokitok Town | The progress of works was at 50 % by the end of 2018/19FY | 8th April 2017 | 31st December 2019 | 888,000,000 | Construction of water distribution network to improve access to 40,000 residents and sewer network and treatment plant of capacity 6,000m3/d to improve on sanitation |
| 7 | Kajiado Rural Water Supply | works are 75% complete | 19th April 2016 | 31st December 2019 | 1,320,000,000 | Additional 9,000m3/day water supply to the residents within the project area |
| 9 | Kenya Towns Sustainable water supply and Sanitation Program | Most of the works were contracted in the year and the contractors mobilized. The progress of works was at 5% by the end of the year. | 9th February 2017 | 31st December 2021 | 8,800,000,000 | Improvement in water supply and sanitation in Limuru, Kikuyu, Gatundu, Kiambu, Ruaka, Pemba, Changamwe, Machakos and mwala by constructing intakes, water transmission and distribution lines, trunk and reticulation sewers and waste water treatment plants |
| 10 | Nairobi Metro Area Bulk water Sources-Ruiru II Dam | The progress of works was at 10% by the end of the year. | 2nd Sept 2017 | 3rd March 2020 | 24,000,000,000 | Additional 51,000m3/day Water produced for Karuri, Kiambu and Githunguri |
| 11 | Nairobi Metro Area Bulk water Sources-Karimenu II | The progress of works was 10% by the close of the year | 3rd May 2017 | 4th November 2020 | 21,000,000,000 | Additional 70,000m3/d for supply in Ruiru, Juja and Nairobi |
| 12 | Nairobi Rivers Basin Restoration Programme: Sewerage improvement Phase II | | November 2018 | February 2023 | 7,353,000,000 | Rehabilitation and Duplication of Dandora Sewerage treatment plant (DESTP), 420km of secondary reticulation sewers, 12,000 new sewer Connections, 4 faecal sludge disposal |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| No. | Project Name | Project status | Projected Timelines | Estimated Cost | Expected Output |
|-----|--------------|----------------|---------------------|-----------------------|--|
| | | | | | facilities, 50 ablution blocks and water supply/Sanitation network within Informal settlements, Supply and delivery of goods- 2 standby generators for Kariobangi STP, 4 exhausters, 2 sewer flushing vehicles, Laboratory equipment |
| | TOTAL | | | 98,492,000,000 | |

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

I. Sustainability strategy and profile -

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

II. Environmental and Social Sustainability Performance

Background

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

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

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

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

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

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

Approach

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

Table 1: Environmental and Social Safeguards

| IDF | Environment Safeguards Instruments | Description of safeguards |
|--------------------------|------------------------------------|---|
| African Development Bank | Operational Safeguards (OS) | OS 1: Environmental and Social Assessment. OS 2: Involuntary Resettlement: Land Acquisition, Population Displacement and Compensation. OS 3: Biodiversity and Ecosystem Services. OS 4: Pollution Prevention and Control, Greenhouse Gases, Hazardous Materials and Resource Efficiency. OS 5: Labour Conditions, Health and Safety. |
| World Bank | Environmental and Social Framework | ESS1: Assessment and Management of Environmental and Social Risks and Impacts ESS2: Labor and Working Conditions ESS3: Resource Efficiency and Pollution Prevention and Management ESS4: Community Health and Safety ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities ESS8: Cultural Heritage ESS9: Financial Intermediaries ESS10: Stakeholder Engagement and Information Disclosure. |
| KfW | Sustainability Guidelines | |

a) Environmental sustainability activities

Environmental sustainability planning

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

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

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

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

Other reports submitted are awaiting approval and licensing.

AWWDA has in place an operational Environmental and social safeguards unit within the Water and Sanitation department responsible for Environmental compliance and Management.

Pollution prevention and abatement

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

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

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

Climate change mitigation and adaptation

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

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

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

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

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

Promoting Environmental protection and conservation through partnerships with stakeholders

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

Environmental education and awareness

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

b) Social sustainability activities

Socio-economic impact assessment

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

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

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

Where people's assets and properties are affected, the AWWDA ensures that there is prior and informed consent from the project affected persons; that there is prompt and adequate compensation for any loss; and where people are resettled to enable a project to proceed, the Agency ensures that their post-resettlement livelihoods are restored and enhanced.

Other Social sustainability activities include:

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

c) Environmental Monitoring and Reporting

AWWDA has established various mechanisms of tracking the performance of Environment, Health and Safety (EHS) for the various projects under implementation.

EHS Committee, Inspections and Audits

The environment and social safeguard unit has established an EHS committee for each project whose main objective is to carry out routine inspections on specific sites with a view to check the contractor's level of EHS compliancy. This includes conformity to Occupational Health and Safety guidelines and the Environmental Management and Coordination (Amendment) Act of 2015. The EHS committee also carries out periodic environmental audits which informs the contractor on his level of compliance and the improvements that need to be done in order to maintain a safe workplace and promote environmental and social sustainability of the project.

The EHS Committees also holds monthly EHS meeting on site. These meetings are informed by the cumulative inspections carried out during that month. The output of the meetings is a monthly EHS performance and monitoring report that enables AWWDA to keep track of the project's EHS performance.

d) Environment and social sustainability management systems

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

Environmental and social Management Plans

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

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

Health and safety management plans

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

Grievance Redress Mechanism

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

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

Gender Mainstreaming

Gender mainstreaming involves the integration of a gender perspective into the preparation, design, implementation, monitoring and evaluation of policies, regulatory measures and programmes, with a view to promoting equality between women and men, and combating discrimination.

AWWDA is undertaking customer's identification survey and implementing last mile connectivity for various projects while targeting women. The data of last mile connections will be segregated in terms of gender. The projects have currently employed 687 staff with 625 and 62 being female. This is 9% against a target of 30%. 38 employees mainly Youth have been appointed to the WSPs to enhance capacity and ensure sustainability, 47.4% are male and 52.6% are female. The WSPs within AWWDA have 3 women MDs and a number of women are also serving in managerial positions, this will be scaled up and monitored throughout the projects.

The Agency has in place Gender mainstreaming committee mandated to ensure that all the operations of the Agency are engendered as required by law.

Gender Based Violence

AWWDA is integrating GBV trainings within the work sites to ensure that cases of sexual harassment and sexual exploitation and abuse within the work places are mitigated against. AWWDA has a GBV committee which is

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

championing this together with a number of consultants who undertake sensitization activities. This will ensure that cases of sexual harassment are reported and that women/men will not fear reporting such cases due to fear of victimization.

COVID-19 as a cross cutting issue

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

AWWDA in collaboration with Water Resources Authority (WRA) and Nairobi City Water and Sanitation Company (NCWSC) implemented community water supply projects in the informal settlements within Nairobi city in order to increase access to safe water for the residents and promote hygiene practices to effectively fight the pandemic. A total of 100 new boreholes were drilled and equipped, associated water tanks and kiosks were also installed.

e) Conclusion

AWWDA is committed to Environmental Conservation and safeguard of the Health and Safety of employees as well as communities within the organization's areas of operation. The Agency continuously works towards compliance with the national laws as well as international best practices relevant to the environmental and social safeguards to ensure sustainability.

III. Employee welfare

AWWDA recognizes the importance of its human capital and it is on this basis that it envisages to have a healthy workforce.

The Human Resource Policy and Procedures Manual;

The AWWDA Human Resource Policy and Procedures Manual lastly reviewed in October, 2018 guides on different aspects of employee welfare at the Agency. Section 2: Part 2.16 Terms and Conditions of Employment guides on the Recruitment Procedure.

A comprehensive job analysis which is reviewed every year to address emerging issues, the Chief Executive Officer ensures development of a Human Resource Plan. The CEO then declares to the Board in accordance to the procedures set out in the HR Policy and Procedures Manual all vacant posts within the establishment which are to be filled substantively or in an acting capacity.

Through the National Gender and Equality Commission and performance contracting activities, the Agency adheres to the not more than two thirds gender principle, conducts gender mainstreaming trainings with a view to developing a comprehensive gender mainstreaming policy and a workplace policy and gender-based violence and sexual harassment.

- Appointed Gender Mainstreaming Committee
- Appointed Gender Based Violence Committee
- Trained Committees
- In the process of developing Gender Mainstreaming and Gender Based Violence Policies.

Other Welfare Strategies include;

- Procurement of Medical Insurance Cover
- Procurement of General Insurance Cover
- Payment of House Allowance at Market Rates
- Transport Allowances & Provision of Transport to in line with circular to contain spread of Covid-19.

Efforts in Improving Skills and Managing Careers

The Agency also strives in improving skills and managing careers through: - developing a comprehensive training plan which puts into consideration all the employees at the Agency. The training plan is developed after conducting and analyzing the Training Needs from duly completed Performance Appraisal Forms. Both supervisors and supervisees are

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

involved in completing the Performance Appraisal Forms on completion of a performance appraisal period which is aligned to a Performance Contracting Cycle.

- Implementing training plan through training employees in order to fill skills gap realized through analyzing Training Needs.

The Agency also supports staff in developing their careers through;

- supporting them through payment of their annual professional fees
- paying for courses the target career development which are rolled out by professional bodies e.g. Engineers Board of Kenya and Institute of Human Resource Management. ICPAK etc
- Revision of Organization Structure to accommodate career progression

Policy on Safety and Compliance with Occupational Safety and Health Act of 2007 (OSHA)

The Agency strives to comply with OSHA through the following activities;

- Reporting to Directorate of Occupation Health and Safety Services in case of an incident or an accident happening within the Agency's premises and project areas.
- Constitution of Occupational Safety and Health Committee to oversee matters pertaining to Health and Safety
- Training of Health and Safety Committee members
- Constitution of First Aiders and Fire Marshalls
- Training of First Aiders and Fire Marshalls Annually
- Conducting Safety Drills to keep employees well versed with actions to take in case of a fire
- Installation of safety signages/direction signages.
- Procurement of personal protective equipment e.g. facemasks, sanitizers, dustcoats, helmets, hand gloves, gumboots, safety boots
- Compliance with COVID-19 Protocols and Regulations.
- Procurement of both General and Medical Insurance Covers for members of staff and BOD.
- Customization of the Occupational Health Safety Policy and Fire Policy.
- Maintenance of Safety Equipment which include Fire Extinguishers.
- Encouraging members of staff to be tested and get vaccinated against Covid-19.
- Installation of CCTV and security lights.
- Collaboration with the Ministry of Interior in provision of armed security guards and National Youth Services to provide security for staff and premises.
- Temperature checks for staff and visitors to AWWDA premises.
- Maintain register of visitors visiting AWWDA premises.
- Installed tracking devices for motor-vehicles for control and speed monitoring purposes.

IV. Market place practices-

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

AWWDA has always maintained an effective feedback mechanism by holding an annual supplier meeting to get feedback from suppliers and contractors. Any concerns raised during the forum are adequately addresses.

All engagements between AWWDA and suppliers and/or contractors take the form of purchase orders and contracts which are signed by both parties and they clearly enumerate responsibilities and obligations of either party. The payment schedules also form part of the contracts and they are strictly adhered to during the contract period.

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

V. Community Engagements

Athi Water Works Development Agency (AWWDA) continued to promote measures put in place by MOH on management of Covid 19 through supply and delivery of branded plastic water tanks to the needy public institutions as

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

part of Corporate Social Responsibility (CSR). In furtherance of this, AWWDA supplied and installed a total of 30 Plastic Tanks across various public institutions as given by the table below:

| COUNTY/ CONSTITUENCY/WARD/AREA | No. of tanks delivered(6000lts) | AREA DELIVERED |
|-----------------------------------|---------------------------------|---|
| Embakasi East | 3 | 1.Embakasi Garisson Barracks |
| AWWDA | 1 | AWWDA car Wash |
| Murarandia Ward-Muranga | 1 | Kaitithe Primary School |
| | 1 | Kaganda Primary School |
| | 1 | Maria-ini primary school |
| | 1 | Kairichi primary school |
| Kigumo | 1 | Grace land church -Gatumbi |
| | 2 | Kigumo constituency MP's Office |
| Kiharu | 2 | Muthiria Day & Boarding Primary School |
| | 2 | Githagara day& boarding primary school |
| Kangari ward | 1 | Kandenderu primary school |
| | 1 | Gatia-ini primary school |
| | 1 | Makomboki Dairy |
| Sabasaba | 1 | Karugia secondary school |
| Nyahururu | 10 | Nyahururu County Commisioner's Office |
| Nairobi | 1 | Mbotela public servants quarters – Jogoo road |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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 Athi Water Works Development Agency's affairs.

Principal activities

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

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

Results

The results of the entity for the year ended June 30, 2021 are set out on pages 1-46

Directors

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

Dividends/Surplus remission

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

Auditors

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

By Order of the Board



CS. Joyce N. Mukururi

Date:

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for the preparation and presentation of the AWWDA's financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year ended on June 30, 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of AWWDA; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

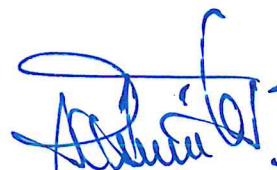
Nothing has come to the attention of the Directors to indicate that AWWDA will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

AWWDA's financial statements were approved by the Board on 02/06/2022 2021 and signed on its behalf by:



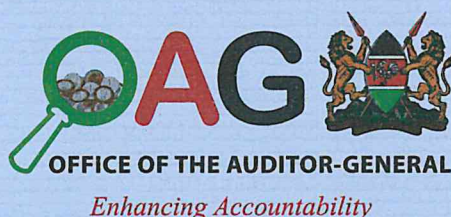
MS. BERYL OKUMU
CHAIRMAN



ENG. MICHAEL M. THUITA
CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ATHI 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 Athi Water Works Development Agency set out on pages 1 to 52, 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Athi 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 Water Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.65,351,970,032 under property, plant and equipment and as disclosed in Note 16 to the financial statements. The following inaccuracies were noted:-

1.1 Land Developed Without a Title Deed

Included in the property, plant and equipment balance are buildings valued at Kshs.342,937,159 that relates to the completed Water Plaza which is the Agency's headquarters. However, ownership documents for the land were not provided for audit. This was despite a court ruling, which granted ownership of the land to the Agency on 23 July, 2019.

1.2 Fully Depreciated Assets

Included in the property, plant and equipment balance are fully depreciated assets whose original cost is Kshs.213,150,059. These assets are still in good working conditions and were being utilized by the Agency. It was observed that Management has not revalued the assets and recognized them in the books at the revaluation amounts. This is contrary to the requirements of IPSAS 17 paragraph 44 which requires that an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation, and subsequent accumulated impairment losses. Further, Management did not review the useful economic life of the above assets before they were fully depreciated.

1.3 Inherited Assets Omitted in the Financial Statements

The Agency inherited non-current assets of undetermined value previously held by the Ministry of Water and Irrigation and National Water Conservation and Pipeline Corporation in respect of water infrastructure, which have not been incorporated in the financial statements.

In the circumstances, the accuracy, ownership, valuation and completeness of the property, plant and equipment balance of Kshs.65,351,970,032 as at 30 June, 2021 could not be verified.

2. Long Outstanding Long-Term Receivables from Exchange Transactions

The statement of financial position as at 30 June, 2021 reflects long term receivables from exchange transactions amounting to Kshs.4,486,048,000 as disclosed in Note 20(b) to the financial statements. Included in the balance is Kshs.392,404,608 owed by various Water Service Providers out of which Kshs.373,358,151 has been outstanding for more than 90 days. Also, included in the balance of Kshs.4,486,048,000 is Kshs.4,317,945,792 owed to the Agency by Nairobi City County Water and Sewerage Company, which has however, been outstanding for several years.

Under the circumstances, the accuracy, validity and recoverability of the long outstanding long-term receivables from exchange transactions balance of Kshs.4,486,048,000 could not be confirmed.

3. Long Outstanding Receivable from Non-Exchange Transactions

The statement of financial position as at 30 June, 2021 reflects receivables from non-exchange transactions amounting to Kshs.17,185,385,829 as disclosed in Note 21 to the financial statements. Included in this balance is a sum of Kshs.7,092,497 due from the High Court of Kenya, which arose in 2014/2015. Management has indicated that the High Court ruled in the Authority's favour that the deposit, together with all the accrued interest net of Kshs.44,720 already paid to the complainant would revert to the Authority. However, the applicant went to the Court of Appeal to appeal against the decision of the High court hence delaying further the receipt of the amount.

Under the circumstances, the accuracy, validity and recoverability of the long outstanding debts totalling Kshs.7,092,497 could not be confirmed.

4. Undisclosed and Unserviced AFD Loan

The statement of financial position reflects loans balance of Kshs.54,672,600,263 as disclosed in Note 28 to the financial statements. Included in the amount is a French Government Agency (AFD) loan with a book balance of Kshs.3,261,551,291 (original amount: Kshs.3,850,000,000) on-lent to the Agency by The National Treasury in two disbursements of Kshs.1,870,000,000 and Kshs.1,980,000,000 in 2006 and 2009, respectively. The loan was repayable in fifteen (15) years from the contract date at an interest rate of 2.9%, among other terms. According to the subsidiary agreement between the Agency and The National Treasury, the Agency was to make semi-annual payments of both the principal and interest, as the amounts fell due. However, during the year under review, the Agency did not make any payments due in relation to the loan.

In addition, the current obligation pertaining to the loan, which comprise of principal loan due within the period and accrued interest have not been classified as current liabilities in the statement of financial position as at 30 June, 2021.

In the circumstances, the accuracy and completeness of the loan balance of Kshs.54,672,600,263 as at 30 June, 2021 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

There were several issues raised in the audit report for 2019/2020 financial year. However, the Management did not provide explanations on how the audit recommendations were resolved. The issues remain unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which requires the Accounting Officers to resolve any issues resulting from an audit.

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. Irregular Appointment of the Agency Board of Directors

Examination of Gazette Notice No.1239 dated 8 February, 2019 revealed that the Cabinet Secretary appointed five (5) independent Board of Directors contrary to the provisions of Section 66(b) of the Water Act, 2016, which stipulates that the Board of each water works development agency shall consist of:

- i. A chairperson who shall be appointed by the Cabinet Secretary from a County within the basin area.

- ii. Four other members who shall be appointed by the Cabinet Secretary from Counties within the basin area; and
- iii. The Chief Executive Officer.

Under the circumstances, the Board is in office irregularly.

2. Long outstanding Amounts Owed to Suppliers

Review of accounts payables revealed long outstanding amounts owed to various creditors amounting to Kshs.3,444,352,950 which includes Kshs.250,114,081 owed to Kenya Revenue Authority. These were contrary to Regulation 23(2a) of the Public Finance Management (National Government) Regulations of 2015 which provides that in addition to the responsibilities of Accounting Officers provided for in the Act, an Accounting Officer designated under the Constitution, the Act or any other Act, shall — comply with any tax, levy, duty, pension, commitments and audit commitments as may be provided for by legislation.

In the circumstances, the Management is in breach of the regulation.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Non-Execution of Governance Audit

The Management did not subject the Agency to an annual governance audit as required by the Code of Governance. This is contrary to Governance Practice 1.13(1) of the Mwongozo: Code of Governance which stipulates that the Board in consultation with the Oversight Office, should ensure that it subjects the organization to an annual governance audit by a member regulated by the Institute of Certified Public Secretaries of Kenya (ICPSK) and accredited for that purpose.

The Management is therefore in breach of the Mwongozo Code of Governance and conformity to high standards of governance was not possible.

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 overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Agency policies and procedures may deteriorate.

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

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

report. However, future events or conditions may cause the Agency to cease to continue to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 July, 2022

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

| | Notes | Jun-21 KSH | Jun-20 KSH |
|---|--------------------|----------------------|----------------------|
| REVENUE | | | |
| Revenue from non-exchange transactions | | | |
| Grants - Restricted (Donor) | <u>6</u> | 112,515,202 | 274,552,415 |
| Grants - Unrestricted (GoK) | <u>7</u> | 713,958,602 | 582,829,524 |
| Revenue from exchange transactions | | | |
| Receipts from Water Service Providers | <u>8</u> | 16,939,500 | 17,301,118 |
| Finance Income | <u>9</u> | 133,453,485 | 122,273,441 |
| TOTAL REVENUE | | 976,866,789 | 996,956,497 |
| EXPENDITURE | | | |
| Use of Goods & Services | <u>10</u> | 140,299,570 | 144,852,100 |
| Remuneration of Directors and Board expenses | <u>11</u> | 22,373,460 | 26,433,708 |
| Employee Cost | <u>12</u> | 264,896,808 | 240,023,014 |
| Operational Expenses | <u>13</u> | 259,926,345 | 131,600,767 |
| Project Costs | <u>14</u> | 18,168,965 | 265,759,126 |
| Depreciation & amortization | <u>16 & 17</u> | 640,125,226 | 624,098,101 |
| Finance Cost | <u>28</u> | 171,157,989 | 171,157,989 |
| TOTAL EXPENDITURE | | 1,516,948,362 | 1,603,924,806 |
| Other gains/(losses) | | | |
| Decrease/(increase) in provisions | <u>25</u> | 2,241,646 | 989,478 |
| Gain/(Loss) on asset disposal | <u>15</u> | (386,981) | |
| NET SURPLUS/(DEFICIT) Before Tax | | (542,710,199) | (605,978,830) |
| Tax on Interest Income | <u>18</u> | 19,543,219 | |
| TRANSFER TO ACCUMULATED FUND | | (562,253,418) | (605,978,830) |

The notes set out on pages 10 to 47 form an integral part of these Financial Statements. The Financial Statements set out on pages 10 to 47 were signed on behalf of the Board of Directors by:



Chief Executive Officer
Name: Eng. Michael M. Thuita



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



Chairman of the Board
Name: Ms. Beryl Okumu

Date: 02/06/2022

Date: 02/06/2022

Date: 02/06/2022

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

| | Notes | 2020-2021 Kshs | 2019-2020 Kshs |
|---|---------------|-----------------------|-----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | <u>19</u> | 2,868,520,930 | 6,456,954,609 |
| Receivables from non-exchange transactions | <u>21</u> | 17,185,385,829 | 13,413,273,791 |
| Inventories | <u>22</u> | 3,912,703 | 1,469,935 |
| Prepayments | <u>23</u> | 19,805,989 | 25,266,442 |
| Subtotal current assets | | 20,077,625,451 | 19,896,964,778 |
| Non-current assets | | | |
| Property, plant and equipment | <u>16</u> | 65,351,970,032 | 46,285,459,954 |
| Intangible assets | <u>17</u> | 58,444,130 | 116,434,055 |
| Long-Term Receivables from exchange transactions | <u>20 (b)</u> | 4,486,048,000 | 4,486,048,000 |
| Sub-total non-current assets | | 69,896,462,162 | 50,887,942,009 |
| Total assets | | 89,974,087,613 | 70,784,906,788 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables from exchange transactions | <u>24</u> | 3,444,352,950 | 1,714,035,468 |
| Provisions | <u>25</u> | 238,783,704 | 236,542,058 |
| Deferred income short term | <u>26</u> | 2,883 | 1,704,675 |
| Employee entitlements and payroll creditors | <u>27</u> | 5,759,468 | 4,086,933 |
| Sub-total current liabilities | | 3,688,899,004 | 1,956,369,134 |
| Non-current liabilities | | | |
| Loans | <u>28</u> | 54,672,600,263 | 44,317,640,382 |
| Deferred income long-term | <u>29</u> | 32,098,990,087 | 24,435,045,594 |
| Total Non-current Liabilities | | 86,771,590,350 | 68,752,685,975 |
| Total liabilities | | 90,460,489,354 | 70,709,055,109 |
| Net assets | | (486,401,741) | 75,851,678 |
| Accumulated surplus | <u>30</u> | (486,401,740) | 75,851,678 |
| Total net assets and liabilities | | 89,974,087,613 | 70,784,906,788 |


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


 Chief Executive Officer
 Name: Eng. Michael M. Thuita

Date: 02/06/2022


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

Date: 02/06/2022


 Chairman of the Board
 Name: Ms. Beryl Okumu

Date: 02/06/2022

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

| | Retained earnings | Total |
|---------------------------------|-------------------|---------------|
| | Amount (Kshs) | Amount (Kshs) |
| At July 1, 2020 | 681,830,509 | 681,830,509 |
| Total comprehensive income/loss | (605,978,830) | (605,978,830) |
| At June 30, 2020 | 75,851,678 | 75,851,678 |
| At July 1, 2020 | 75,851,678 | 75,851,678 |
| Total comprehensive income | (562,253,418) | (562,253,418) |
| At June 30, 2021 | (486,401,740) | (486,401,740) |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

16. STATEMENT OF THE ENTITY'S DEBT AS AT 30TH JUNE 2021

| Statement of The Entity's Debt As at 30 June 2021 | | | |
|--|-------------|-----------------------|-----------------------|
| | Note | 2021 | 2020 |
| | | Kshs. | Kshs. |
| Loans - AFD | | 3,261,551,291 | 3,171,725,870 |
| WASSIP 1 Loan | | 5,584,836,297 | 5,503,503,729 |
| LOAN KfW - NST | | 1,191,566,655 | 492,003,876 |
| LOAN KfW - NCWDN | | 2,793,920,037 | 2,489,096,765 |
| Loan - AFD NTC | | 6,110,221,753 | 6,110,371,753 |
| WASSIP AF Loan | | 14,523,822,608 | 14,523,822,609 |
| AfDB Loan - Nairobi Rivers | | 4,338,713,894 | 4,338,713,894 |
| Kenya Towns | | 3,302,014,050 | 2,097,495,911 |
| Loan - AFD Ruiru II Dam | | 3,706,073,876 | 3,487,017,945 |
| Loan - Nairobi River Phase II | | 641,810,482 | - |
| Loan - Karimenu II Dam | | 9,218,069,318 | 2,103,888,032 |
| TOTAL | | 54,672,600,263 | 44,317,640,382 |

| Statement of The Entity's Debt Guaranteed by the National Government as at 30 June 2021 | | | |
|--|-------------|-----------------------|-----------------------|
| | Note | 2021 | 2020 |
| | | Kshs. | Kshs. |
| Loans - AFD | | 3,261,551,291 | 3,171,725,870 |
| WASSIP 1 Loan | | 5,584,836,297 | 5,503,503,729 |
| LOAN KfW - NST | | 1,191,566,655 | 492,003,876 |
| LOAN KfW - NCWDN | | 2,793,920,037 | 2,489,096,765 |
| Loan - AFD NTC | | 6,110,221,753 | 6,110,371,753 |
| WASSIP AF Loan | | 14,523,822,608 | 14,523,822,609 |
| AfDB Loan - Nairobi Rivers | | 4,338,713,894 | 4,338,713,894 |
| Kenya Towns | | 3,302,014,050 | 2,097,495,911 |
| Loan - AFD Ruiru II Dam | | 3,706,073,876 | 3,487,017,945 |
| Loan - Nairobi River Phase II | | 641,810,482 | - |
| Loan - Karimenu II Dam | | 9,218,069,318 | 2,103,888,032 |
| TOTAL | | 54,672,600,263 | 44,317,640,382 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

| | Notes | 2020-2021 | 2019-2020 |
|--|-----------|-------------------------|-------------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Government grants recurrent | <u>31</u> | 361,166,664 | 400,000,000 |
| Receipts from WSPs | <u>32</u> | 16,939,500 | 18,717,954 |
| Miscellaneous Finance income | <u>9</u> | 133,453,485 | 122,273,441 |
| Total Receipts | | 511,559,649 | 540,991,395 |
| Cash payments for: | | | |
| Compensation of employees | <u>33</u> | 263,224,273 | 240,847,416 |
| Use of Goods & Services | <u>34</u> | 156,825,104 | 167,128,241 |
| Directors remuneration and Board expenses | <u>35</u> | 22,373,460 | 26,433,708 |
| Operational costs | <u>36</u> | 260,445,134 | 314,952,157 |
| Other payments-project and GoK counterpart costs | | | |
| Total Payments | | 702,867,971 | 749,361,521 |
| Net cash flows from operating activities | | (191,308,323) | (208,370,126) |
| Cash payments for investing activities | | | |
| Purchase of property, plant, equipment and intangible assets | <u>37</u> | (19,649,032,356) | (7,526,562,108) |
| Proceeds from sale of property, plant and Equipment | | | |
| Decrease/(decrease) in non-exchange receivables | <u>38</u> | (3,739,278,705) | (4,573,990,766) |
| Payments to Creditors | <u>39</u> | 1,730,317,482 | 386,196,315 |
| Increase in investments | | | |
| Net cash flows used in investing activities | | (21,657,993,580) | (12,100,552,874) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | <u>40</u> | 10,183,801,892 | 8,703,999,968 |
| Repayment of borrowings | <u>41</u> | - | (15,527,875) |
| Increase in deferred income | <u>42</u> | 8,077,066,334 | 7,582,458,967 |
| Net cash flows used in financing activities | | 18,260,868,226 | 16,270,931,060 |
| Net increase/(decrease) in cash and cash equivalents | | (3,588,433,678) | 3,962,008,059 |
| Cash and cash equivalents at 1 JULY | <u>19</u> | 6,456,954,609 | 2,494,946,550 |
| Cash and cash equivalents at 30 JUNE | | 2,868,520,930 | 6,456,954,609 |

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



Chief Executive Officer
Name: Eng. Michael M. Thuita

Date: 02/06/2022



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

Date: 02/06/2022



Chairman of the Board
Name: Ms. Beryl Okumu

Date: 02/06/2022

Annual Reports and Financial Statements
For the year ended June 30, 2021

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

| DESCRIPTION | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | % variance | Remarks |
|---|--------------------|--------------------|--------------------|----------------------------|------------------------|-------------|---|
| | 2020-2021 Kshs | 2020-2021 Kshs | 2020-2021 Kshs | 2020-2021 Kshs | 2020-2021 Kshs | f/d | |
| Receipts from Water Companies for loan repayment | | | | | | | |
| Loan repayment from other WSPs | 16,939,500 | - | 16,939,500 | 16,939,500 | 0 | 0% | Within Budget |
| Gross loan repayment fee | 16,939,500 | - | 16,939,500 | 16,939,500 | - | 0% | within budget |
| Miscellaneous income | 45,000,000 | 15,000,000 | 60,000,000 | 133,453,485 | 73,453,485 | -122% | Due to delays in RAP implementation, Monies for the same were put in interest earning call and fixed deposit accounts |
| GRANT INCOME | | | | | | | |
| Grants - Restricted (Donor) | 250,000,000 | - | 250,000,000 | 112,515,202 | 137,484,798 | 55% | Progress on this was affected by delays in master list approvals |
| Grants -Recurrent (GOK) | 400,000,000 | (6,000,000) | 394,000,000 | 393,999,997 | (3) | 0% | Within Budget |
| Grant - Unrestricted Development(GoK) | 170,000,000 | - | 170,000,000 | 319,958,605 | 149,958,605 | -88% | within the budget |
| Subtotal Grant Income | 820,000,000 | (6,000,000) | 814,000,000 | 826,473,804 | 287,443,400 | -2% | Within Budget |
| TOTAL INCOME | 881,939,500 | 9,000,000 | 890,939,500 | 976,866,789 | 360,896,885 | -10% | Within Budget |
| Expenses | | | | | | | |
| A) Use of Goods and Services | | | 0 | | | | |
| Rent and Rates | 20,000,000 | (7,350,000) | 12,650,000 | 12,631,752 | 18,249 | 0% | Within budget |
| Advertising Expenses | 6,000,000 | (1,900,000) | 4,100,000 | 4,085,109 | 14,891 | 0% | Within budget |
| Entertainment & Office Tea | 2,178,000 | (1,560,000) | 618,000 | 313,029 | 304,971 | 49% | Within Budget |
| General Office Running Expenses | 3,000,000 | 4,350,000 | 7,350,000 | 7,379,486 | -29,486 | 0% | within budget |
| Printing & Stationery | 5,000,000 | (4,950,000) | 50,000 | 51,292 | -1,292 | -3% | Within Budget |
| Education and Training | 8,000,000 | 490,000 | 8,490,000 | 8,490,362 | -362 | 0% | Within the budget |
| Library & subscription Expenses | 660,000 | | 660,000 | 582,471 | 77,530 | 12% | The organization adopted electronic documentation and reduced the number of physical newspapers due to COVID 19 pandemic. |
| Workshops & seminars | 12,000,000 | 5,020,145 | 17,020,145 | 17,238,011 | -217,866 | -1% | Within budget |
| Travel and Accommodation | 12,500,000 | 8,860,000 | 21,360,000 | 21,577,305 | -217,305 | -1% | Within budget |
| Telephone Expenses | 3,750,000 | (1,900,000) | 1,850,000 | 1,837,565 | 12,436 | 1% | Within budget |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| DESCRIPTION | Original budget 2020-2021 | Adjustments 2020-2021 | Final budget 2020-2021 | Actual on comparable basis 2020-2021 | Performance difference 2020-2021 | % variance f/d | Remarks |
|--|------------------------------|--------------------------|---------------------------|---|--|-------------------|---|
| Audit & Management fees | 900,000 | | 900,000 | 0 | 900,000 | 100% | The Office of the Auditor General had not invoiced AWWDA by the close of the year |
| Bank Charges | 850,000 | - | 850,000 | 834,157 | 15,844 | 2% | Within budget |
| IT Costs & Accessories | 6,000,000 | 2,520,000 | 8,520,000 | 8,643,100 | -123,100 | -1% | Within budget |
| Transport operating | 10,098,000 | 3,800,000 | 13,898,000 | 14,815,539 | -917,539 | -7% | within budget |
| Uniform & Clothing | 2,374,504 | 1,849,769 | 4,224,273 | 2,524,201 | 1,700,073 | 40% | within budget |
| Repairs& maintenances-Office Equipment, Furniture and Fittings | 3,630,000 | (3,540,000) | 90,000 | 85,728 | 4,273 | 5% | within budget |
| Emergency Works and Hire of plant & Equipment | 968,000 | (968,000) | 0 | 0 | 0 | 0% | All emergency works was to be funded through the respective projects |
| Monitoring and Evaluation | 2,500,000 | (350,000) | 2,150,000 | 2,135,447.50 | 14,553 | 1% | Within Budget |
| Professional Consultancy Fees | 24,242,231 | 2,775,231 | 27,017,462 | 28,809,180 | -1,791,718 | -7% | Within Budget |
| Ground Maintenance, security & Utility | | 2,915,000 | 2,915,000 | 5,463,326 | -2,548,326 | -87% | Within Budget |
| Building Maintenance | | 50,000 | 50,000 | 0 | 50,000 | 100% | No repairs were undertaken on the office building owing to the fact that the building was yet to be handed over |
| Membership of Professional Associations | 1,820,300 | | 1,820,300 | 799,293 | 1,021,008 | 56% | The number of invoices received was less than anticipated. This was due to the COVID 19 pandemic. |
| Insurance | 6,000,000 | | 6,000,000 | 2,003,224 | 3,996,777 | 67% | The bids received were competitive and this led to a savings on this component. |
| | | | | | 0 | | |
| Sub-total | 132,471,035 | 10,112,145 | 142,583,180 | 140,299,570 | 2,283,610 | 2% | within the budget |
| B) Remuneration of Directors | | | | | | | |
| Honoraria | 960,000 | 0 | 960,000 | 400,000 | 560,000 | 58% | The chairman's position was filled for only 5 months in the year |
| Sitting allowances | 7,000,000 | 0 | 7,000,000 | 5,645,800 | 1,354,200 | 19% | This was due to reduced number of physical meetings and field visits owing to COVID19 restrictions. |
| Board Medical allowance | 2,000,000 | | 2,000,000 | | 2,000,000 | 100% | Board medical expenses are financed under the institutional medical cover |
| Induction and Training | 3,000,000 | | 3,000,000 | 2,340,600 | 659,400 | 22% | |

Annual Reports and Financial Statements
For the year ended June 30, 2021

| DESCRIPTION | Original budget 2020-2021 | Adjustments 2020-2021 | Final budget 2020-2021 | Actual on comparable basis 2020-2021 | Performance difference 2020-2021 | % variance | Remarks |
|---------------------------------|------------------------------|--------------------------|---------------------------|---|--|------------|---|
| Board travel and accommodation | 2,000,000 | | 2,000,000 | | 2,000,000 | 100% | |
| Other allowances | 3,000,000 | | 3,000,000 | 2,973,200 | 26,800 | 1% | Within Budget |
| Other board expenses | 11,000,000 | | 11,000,000 | 11,013,859 | -13,859 | 0% | Within Budget |
| Sub total | 28,960,000 | - | 28,960,000 | 22,373,459 | 3,914,200 | 23% | |
| C) Employee Costs | | | | | | | |
| Basic pay | 158,673,000 | - | 158,673,000 | 148,714,410 | 9,958,590 | 6% | Within Budget |
| House allowance | 31,605,940 | 3,700,000 | 35,305,940 | 35,180,500 | 125,440 | 0% | Within the budget |
| Entertainment allowance | 1,190,700 | (230,000) | 960,700 | 960,000 | 700 | 0% | Within the budget |
| Transport allowance | 11,219,085 | 750,000 | 11,969,085 | 11,948,466 | 20,619 | 0% | within the budget |
| Leave and Passage allowance | 2,071,340 | 1,000,000 | 3,071,340 | 3,065,538 | 5,802 | 0% | within the budget |
| Gratuity Contributions | 15,850,000 | (1,812,145) | 14,037,855 | 13,135,491 | 902,364 | 6% | Some contractual positions were filled on acting capacity during the year |
| Pension Contribution-Employer | 12,500,000 | | 12,500,000 | 12,373,794 | 126,206 | 1% | Within Budget |
| N.S.S.F Employers contribution | 2,292,100 | (2,100,000) | 192,100 | 207,400 | -15,300 | -8% | within budget |
| Staff Welfare | 5,250,000 | 230,000 | 5,480,000 | 5,497,899 | -17,899 | 0% | within budget |
| Medical Expenses | 26,266,800 | (1,750,000) | 24,516,800 | 26,284,550 | -1,767,750 | -7% | Within Budget |
| Interns Allowance | 2,000,000 | (1,600,000) | 400,000 | 301,588 | 98,412 | 25% | The number of interns engaged was reduced since the Public service commission provided interns and some were paid from projects. |
| Other Allowances | 7,500,000 | - | 7,500,000 | 7,227,172 | 272,828 | 4% | Within Budget |
| Sub total | 276,418,965 | (1,812,145) | 274,606,820 | 264,896,808 | 9,710,012 | 4% | Within the budget |
| E) Operation Expenses | | | | | | | |
| Planning and Design | 2,000,000 | (500,000) | 1,500,000 | 838,160 | 661,840 | 44% | The design aspect of the projects was incorporated in the works contracts which lead to a reduction of the money sent from the recurrent budget. |
| Environmental Impact Assessment | 500,000 | 500,000 | 1,000,000 | 477,010 | 522,990 | 52% | There were projects in the process of preparation which were affected by the COVID 19 pandemic since stakeholder consultation could not be undertaken and this led to low disbursement. |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| DESCRIPTION | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | % variance | Remarks |
|--|--------------------|------------------|--------------------|----------------------------|------------------------|------------|---|
| | 2020-2021 | 2020-2021 | 2020-2021 | 2020-2021 | 2020-2021 | f/d | |
| Project costs | 420,000,000 | - | 420,000,000 | 276,780,140 | 143,219,860 | 34% | Due to reduced working hours in the projects caused by COVID 19 pandemic, less funds were amortized for the projects. |
| Sub total | 422,500,000 | - | 422,500,000 | 278,095,310 | 144,404,690 | 34% | |
| Depreciation | | | - | 640,125,226 | (640,125,226) | | It is not a cash flow item hence was not budgeted for |
| Interest on loan/loan repayment | 16,939,500 | | 16,939,500 | 171,157,989 | (154,218,489) | | This is the amount expected from the WSPs and it is transmitted to the National Treasury as received |
| Tax on Interest Income | 4,650,000 | 700,000 | 5,350,000 | 19,543,219 | (14,193,219) | -265% | This increase due to the increase in Interest income which led to an increase in the withholding tax. |
| Total Expenditure | 881,939,500 | 9,000,000 | 890,939,500 | 1,536,491,580 | (634,031,202) | | |
| Recurrent Surplus before provisions | - | - | - | (559,624,791) | 994,928,087 | | |
| Less increase in provisions | | | | 2,241,646 | (2,241,646) | | It is not a cash flow item hence was not budgeted for |
| Loss on disposal of assets | | | | (386,981) | | | |
| Recurrent Surplus after provisions | - | - | - | (562,253,417) | | | |

Annual Reports and Financial Statements
For the year ended June 30, 2021

Reconciliation of Actual Amounts on Comparable Basis and Actual Amounts in the Financial Statements

| | Operating Kshs | Financing Kshs | Investing Kshs | Total Kshs |
|---|-------------------|-------------------|-------------------|-----------------|
| Actual amounts on comparable basis as presented in the Budget and Actual Comparative Statement | | | | 0 |
| Receipts | | | | 0 |
| Government grants recurrent | 394,000,000 | | | 394,000,000 |
| Miscellaneous Finance income | 133,453,485 | | | 133,453,485 |
| Receipts from WSPs | 16,939,500 | | | 16,939,500 |
| Payments | | | | |
| Compensation of employees | - 264,896,808 | | | - 264,896,808 |
| Administration costs | - 140,299,570 | | | - 140,299,570 |
| Directors remuneration and Board expenses | - 22,373,459 | | | - 22,373,459 |
| Operational costs | - 278,095,310 | | | - 278,095,310 |
| Tax on interest income | - 19,543,219 | | | - 19,543,219 |
| | | | | - |
| (Basis Differences) | | | | |
| Development Grant income : GoK | | 6,628,749,999 | | 6,628,749,999 |
| Development Grant income : Donor | | 1,448,316,336 | | 1,448,316,336 |
| Loan | | 10,079,334,140 | | 10,079,334,140 |
| Changes in Debtors | | | 3,699,887,701 | -3,699,887,701 |
| Purchase of property, plant, equipment and intangible assets | | | - | -19,489,101,603 |
| Changes in creditors- Payroll | | | 19,489,101,603 | |
| Non-cash Administration costs-Prepayments | | | 1,639,859,025 | 1,641,531,561 |
| Non-cash Project costs- Direct payments | | | | 5,460,453 |
| Non-cash Administration costs- Changes in inventory | | | | 17,650,176 |
| | - 2,442,769 | | | - 2,442,769 |
| | | | | |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | Operating | Financing | Investing | Total |
|---|--------------|----------------|------------------|-----------------|
| | Kshs | Kshs | Kshs | Kshs |
| Total Basis Differences | 22,340,395 | 18,156,400,475 | 21,549,130,279 | - 3,370,389,409 |
| | | | | |
| <i>Recurrent grant for June 2021 received in July</i> | - 32,833,336 | | | - 32,833,336 |
| | | | | - |
| Total Timing Differences | - 32,833,336 | | | - 32,833,336 |
| | | | | - |
| Total Entity Differences | | | | - |
| | | | | |
| Actual Amounts in the Statement of Cash Flows | -191,308,324 | 18,156,400,475 | - 21,549,130,279 | - 3,584,038,128 |

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

| Standard | Impact |
|--|--|
| IPSAS 40: Public Sector Combinations | <p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> 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. 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. 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. 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>The adoption of IPSAS 40 has no impact on the financial statements for AWWDA 2020-2021 financial report because: the entity has been using IPSAS accrual, the asset revaluation had not been completed by the end of the year under review neither were any assets impaired during the year</p> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

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

| Standard | Effective date and impact: |
|---|---|
| IPSAS 41: Financial Instruments | <p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>IPSAS 41, is not applicable to AWWDA because the entity does not invest in financial instruments.</p> |
| IPSAS 42: Social Benefits | <p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social 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 entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p>AWWDA does not offer social benefits hence the adoption of this standard will not have any impact.</p> |
| Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments | <p>Applicable: 1st January 2022:</p> <ol style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| Standard | Effective date and impact: |
|---|---|
| | <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>The amendments will have no impact on AWWDA's financial report upon adoption</p> |
| <p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p> | <p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. 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>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>The amendments will not affect AWWDA because the entity does not borrow directly, it has not undertaken any hedging of risks neither does it have financial guarantee contracts</p> |

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

Capital and Revenue Grants

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

Rendering of services

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

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

Sale of goods

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

Interest income

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

ii) Revenue from exchange transactions

Dividends

AWWDA did not have any dividend earning investments in 2020/2021FY

Rental income

AWWDA does not have any rental income in 2020/2021FY

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly on 4th March 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Kshs 1,901,000,000 on the 2020-2021 budget following the governing body's approval.

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

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

c) Taxes

Current income tax

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

Deferred tax

AWWDA did not have deferred tax during 2020/2021FY

Sales tax

AWWDA did not have deferred tax during 2020/2021FY

d) Investment property

AWWDA did not have investment property during the 2020/2021FY

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Property, plant and equipment

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

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

The annual depreciation/amortization rates in use are:

| | |
|---------------------------------|--------------------|
| Office Equipment – Computers | 33 $\frac{1}{3}$ % |
| Furniture and fittings | 10% |
| Motor Vehicles | 25% |
| Plant and Equipment | 10% |
| Dams and Pans | 2.5% |
| Water Meters | 20% |
| Water & Sewerage Infrastructure | 2.5% |

f) Leases

AWWDA did not have any leasehold assets during the 2020/2021FY.

g) Intangible assets

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

The useful life of the intangible assets is assessed as finite over a period of three years.

The amortization cost is calculated on the straight-line basis, effective at the end of the month following capitalization, at annual rates of 33 $\frac{1}{3}$ % estimated to write off the carrying values of the intangible assets over their expected useful lives.

h) Research and development costs

AWWDA did not incur any research and development costs in the 2020/2021FY however, such expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the AWWDA can demonstrate:

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

i) Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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

Deferred income recognition

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

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

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

Cash received from donor

Dr. Cash at Bank
Cr. Deferred income
Project costs
Dr. Deferred income
Cr. Grant income
Annual depreciation
Dr. Deferred income
Cr. Grant income

j) Inventories

Inventory is measured at cost upon initial recognition. The cost is determined using the First in First out (FIFO) method. After initial recognition, inventory is measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of AWWDA.

k) Provisions

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

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

l) Contingent liabilities

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

m) Contingent assets

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

AWWDA recognizes the effects of changes in accounting policy retrospectively.

p) Employee benefits

Retirement benefit plans

AWWDA provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. AWWDA subscribed to a defined contribution plan for all staff under permanent and pensionable terms; for management staff under contracts their gratuity is paid directly to their individual pension accounts held with different insurance companies. The entity therefore is under no obligation to pay further contributions in the event the fund managers don't hold sufficient assets to pay our employees.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the contract exchange rate which is usually rate of exchange on the date of the Bid opening. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the contract exchange rate. 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.

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

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

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

5 Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- 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 24.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. AWWDA has made the following provisions in the 2020/2021FY:

a) Provision for untaken leave

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

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

- i. Provision for Audit and management fees

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

**Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

b) Provision for Bad debts

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

c) Provision for doubtful bank balances

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | | 2021 | 2020 |
|-----------|---|--------------------|--------------------|
| | Details | Kshs | Kshs |
| 6 | Donor Grants Restricted | | |
| | ACP-EU | 5,307,680 | 4,655,935 |
| | IDA | 1,701,792 | 1,684,141 |
| | AFD | 66,340,114 | 65,920,272 |
| | WaSSIP | 8,190,966 | 50,321,586 |
| | KISSIP | 5,573,900 | 7,234,152 |
| | KFW-NTS | 17,650,176 | 72,995,710 |
| | ADB - Kibera | 7,426,624 | 13,807,939 |
| | Kajiado rural | 323,950 | 808,000 |
| | AfDB-Kenya Towns | | 57,124,680 |
| | Total-it includes income earned from donor financing | 112,515,202 | 274,552,415 |
| 7 | Government of Kenya Grants-Un restricted | | |
| | Government of Kenya-AWWDA administration recurrent Grants | 393,999,997 | 400,000,000 |
| | Government of Kenya Grants-Project related grants | 319,958,605 | 182,829,524 |
| | Total -This is government support for project specific recurrent costs as well as AWWDA administration costs | 713,958,602 | 582,829,524 |
| 8 | Receipts from Water Service Providers for loan repayment and administration fees | | |
| | Administration fee from Nairobi Water & Sewerage Company | | |
| | Administration fee from Other WSP's | | |
| | Loan repayment from NCWSC | | |
| | Loan repayment from other WSPs | 16,939,500 | 17,301,118 |
| | Total-This is a reimbursement to the recurrent costs of AWSB and loan repayment amount | 16,939,500 | 17,301,118 |
| 9 | Finance Income | | |
| | Miscellaneous income | 3,166,814 | 2,356,449 |
| | Interest on deposit | 130,286,671 | 119,916,992 |
| | Total-it includes majorly income from sale of tenders, and interest earned on bank deposits | 133,453,485 | 122,273,441 |
| 10 | Use of Goods and Services | | |
| | Rent and Rates | 12,631,752 | 24,440,599 |
| | Advertising Expenses | 4,085,109 | 8,798,862 |
| | Entertainment & Office Tea | 313,029 | 861,497 |
| | General Office Running Expenses | 7,379,486 | 4,824,419 |
| | Printing & Stationery | 51,292 | 4,666,785 |
| | Education and Training | 8,490,362 | 8,884,680 |
| | Library & subscription Expenses | 582,471 | 910,868 |
| | Workshops & seminars | 17,238,011 | 9,122,864 |
| | Travel and Accommodation | 21,577,305 | 12,815,507 |
| | Telephone Expenses | 1,837,565 | 2,706,102 |
| | IT Costs & Accessories | 8,643,100 | 7,207,929 |
| | Transport operating | 14,815,539 | 12,119,787 |
| | Uniform & Clothing | 2,524,201 | 302,461 |
| | Repairs& maintenances-Office Equipment, Furniture and Fittings | 85,728 | 95,455 |
| | Professional Consultancy Fees | 28,809,180 | 19,905,260 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | | | |
|-----------|---|--------------------|--------------------|
| | Monitoring and Evaluation | 2,135,448 | 1,431,460 |
| | Ground Maintenance, security & Utility | 4,275,046 | |
| | Building Maintenance | 1,188,281 | |
| | Audit & Management fees | | 928,000 |
| | Bank Charges | 834,157 | 18,878,763 |
| | Emergency Works and Hire of plant & Equipment | | 0 |
| | Membership of Professional Associations | 799,293 | 1,132,146 |
| | Insurance | 2,003,224 | 4,818,655 |
| | Total | 140,299,570 | 144,852,100 |
| 11 | Remuneration of Directors and Board expenses | | |
| | Honoraria | 400,000 | 960,000 |
| | Sitting allowances | 5,646,600 | 25,473,708 |
| | Board Medical allowance | | |
| | Induction and Training | 2,340,000 | |
| | Board travel and accommodation | | |
| | Other allowances | 2,974,071 | |
| | Other board expenses | 11,012,789 | |
| | Total | 22,373,460 | 26,433,708 |
| 12 | Employee Costs | | |
| | Basic Pay | 148,714,410 | 141,143,804 |
| | House Allowance | 35,180,500 | 31,267,107 |
| | Entertainment Allowance | 960,000 | 1,002,040 |
| | Transport Allowance | 11,948,466 | 9,755,927 |
| | Leave and Passage allowance | 3,065,538 | 2,537,329 |
| | Gratuity Contribution | 13,135,491 | 25,334,433 |
| | Pension Contribution-Employer | 12,373,794 | |
| | N.S.S.F Employers Contribution | 207,400 | 182,400 |
| | Staff Welfare | 5,497,899 | 5,743,376 |
| | Medical Expenses | 26,284,550 | 22,806,201 |
| | Intern Allowance | 301,588 | 250,396 |
| | Other Allowances | 7,227,172 | - |
| | Total | 264,896,808 | 240,023,014 |
| 13 | Operational Expense | | |
| | Planning and Design | 838,160 | 688,705 |
| | Environmental Impact Assessment | 477,010 | 325,734 |
| | GOK-Counter funds-Project costs | 258,611,175 | 130,586,328 |
| | Total | 259,926,345 | 131,600,767 |
| 14 | Project Cost | | |
| | WASSIP | - | 81,891,520 |
| | KFW-NST | 17,650,176 | 72,995,710 |
| | AFD - NCT | 22,404 | |
| | Kenya Towns | 24,500 | 110,871,896 |
| | NARSIP II Project Costs | 471,885 | |
| | Total | 18,168,965 | 265,759,126 |
| 15 | Gain/(Loss) on disposal of assets | | |
| | Furniture and fittings | (386,981) | |
| | Total | (386,981) | |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

16 Property plant and equipment for the year ended 30th June 2021: Fixed Asset Schedule

| COST | Office Equipment | Furniture & Fittings | Motor Vehicles & cycles | Plant & Equipments | Dams & Pans | Land | Building | Meters | Water Infrastructure | Sewerage Infrastructure | Work in Progress | Total |
|---------------------------------|------------------|----------------------|-------------------------|--------------------|---------------|-------------|-------------|------------|----------------------|-------------------------|------------------|----------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Cost Fully depreciated | 47,826,473 | 13,464,907 | 186,545,378 | 17,683,268 | | | | 5,012,100 | | | | 270,532,125 |
| Cost Depreciable | 61,420,031 | 2,528,350 | 69,275,992 | 210,102,466 | 3,168,297,443 | 130,262,574 | 0 | 77,206,500 | 9,443,758,004 | 7,720,529,032 | 20,606,037,320 | 41,483,421,700 |
| Subtotal Cost As at 1 July 2019 | 109,246,503 | 15,993,257 | 255,821,370 | 227,785,734 | 3,168,297,443 | 130,262,574 | 0 | 82,218,600 | 9,443,758,004 | 7,720,529,032 | 20,606,037,320 | 41,759,953,825 |
| Additions | | | | | | | | | | | | 0 |
| Purchase | 10,906,138 | | | | | | | | | | 7,961,610,563 | 7,972,516,701 |
| Disposal | | | | | | | | | | | -5,732,487 | -5,732,487 |
| Reclassification | | | | | 83,511,120 | | | | 276,535,845 | 979,579,067 | -1,339,626,031 | 0 |
| As at the 30 June 2020 | 120,152,641 | 15,993,257 | 255,821,370 | 227,785,734 | 3,251,808,563 | 130,262,574 | 0 | 82,218,600 | 9,720,293,849 | 8,700,108,099 | 27,222,289,365 | 49,726,738,940 |
| Cost Fully depreciated | 109,246,503 | 13,464,907 | 212,740,121 | 30,555,495 | | | | 5,012,100 | | | | 371,019,126 |
| Cost Depreciable | 10,906,138 | 2,528,350 | 43,085,237 | 197,230,241 | 3,251,808,563 | 130,262,574 | 0 | 77,206,500 | 9,720,293,850 | 8,700,108,099 | 27,222,289,365 | 49,355,718,915 |
| Subtotal Cost As at 1 July 2020 | 120,152,641 | 15,993,257 | 255,825,358.09 | 227,785,736 | 3,251,808,563 | 130,262,574 | 0 | 82,218,600 | 9,720,293,850 | 8,700,108,099 | 27,222,289,365 | 49,726,738,941 |
| Additions | | | | | | | | | | | | 0 |
| Purchase | | | | | | | | | | | 19,649,032,356 | 19,649,032,356 |
| Disposal | | -15,993,257 | | | | | | | 2,511,396,316 | | -3,250,887,631 | -15,993,257 |
| Reclassification | | 28,177,614 | 61,870,711 | | | 306,505,832 | 342,937,159 | | 12,231,690,166 | | 43,620,434,090 | 0 |
| As at the 30 June 2021 | 120,152,641 | 28,177,614 | 317,696,069 | 227,785,736 | 3,251,808,563 | 436,766,406 | 342,937,159 | 82,218,600 | 12,231,690,166 | 8,700,108,099 | 43,620,434,090 | 69,339,777,141 |
| DEPRECIATION | | | | | | | | | | | | |
| As at 1 July 2019 | 101,680,261 | 15,110,949 | 222,935,766 | 81,649,463 | 584,473,174 | 0 | | 64,920,969 | 1,046,274,725 | 760,530,227 | 0 | 2,879,585,534 |
| Charge for the year | 10,576,701 | 249,089 | 17,319,995 | 19,844,792 | 81,193,220 | 0 | | 15,441,300 | 245,036,932 | 174,030,521 | | 561,692,551 |
| Depreciated for Disposed Assets | | | | | | | | | | | | 0 |
| As at 30 June 2020 | 112,256,963 | 15,360,038 | 240,255,762 | 101,494,256 | 665,666,394 | 0 | 0 | 80,362,269 | 1,291,311,657 | 934,560,748 | 0 | 3,441,278,086 |
| | | | | | | | | | | | | |
| As at 1 July 2020 | 112,256,963 | 15,360,038 | 240,255,762 | 101,494,256 | 665,666,394 | 0 | | 80,362,269 | 1,291,311,657 | 934,560,748 | 0 | 3,441,278,086 |
| Charge for the year | 3,914,025.48 | 246,239 | 10,771,310 | 23,542,132 | 81,295,214 | 0 | | 1,856,331 | 245,007,346 | 217,502,703 | | 582,135,300 |
| Depreciated for Disposed Assets | | -15,606,277 | | | | | | | | | | -15,606,277 |
| As at 30 June 2021 | 116,160,968 | 0 | 251,027,071 | 125,036,388 | 746,961,608 | 0 | 0 | 82,218,600 | 1,534,319,003 | 1,152,063,451 | 0 | 4,007,807,109 |
| | | | | | | | | | | | | |
| Net Book Value 30th June 2021 | 3,971,653 | 28,177,614 | 66,666,998 | 102,749,348 | 2,504,846,955 | 436,766,406 | 342,937,159 | 0 | 10,697,371,163 | 7,548,044,647 | 43,620,434,090 | 65,351,970,032 |
| | | | | | | | | | | | | |
| Net Book Value 30th June 2020 | 7,885,678 | 633,219 | 15,569,598 | 126,281,479 | 2,586,142,169 | 130,262,574 | 0 | 1,856,331 | 8,428,982,192 | 7,765,547,350 | 27,222,289,365 | 46,285,459,554 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| 17 Intangible assets as at 30th June 2021 | | |
|--|--------------------|--------------------|
| Description | 2020-2021 | 2019-2020 |
| | Kshs | Kshs |
| COST | | |
| Cost Fully depreciated | 74,210,588 | 50,885,027 |
| Cost Depreciable | 173,249,373 | 192,326,176 |
| Subtotal Cost As at beginning of the year | 247,459,962 | 243,211,203 |
| Additions | | |
| Purchase | | 4,248,759 |
| Disposal | | |
| Reclassification | | |
| As at the 30 June | 247,459,962 | 247,459,962 |
| Amortization and impairment at the beginning of the year | 131,025,906 | 68,620,357 |
| Amortization for the year | 57,989,925 | 62,405,549 |
| Amortization adj for transferred/disposed Assets | | |
| As at end of the year | 189,015,832 | 131,025,906 |
| | | |
| Net Book Value 30th June | 58,444,130 | 116,434,055 |

| | Description | 2020-2021 | 2019-2020 |
|----|--------------------------------|-------------------|-----------|
| | | Kshs | Kshs |
| 18 | Tax on Interest income | | |
| | Tax charges on Interest income | 19,543,219 | |
| | Total | 19,543,219 | - |

| | | | |
|----|--|----------------------|----------------------|
| 19 | Cash & Bank Balances | | |
| | Current account | 1,235,882,567 | 6,447,980,991 |
| | On - call deposits | 1,627,500,000 | |
| | Fixed deposits account | 5,039,874 | 8,971,363 |
| | Staff car loan/ mortgage | | |
| | Others-cash in hand | 98,490 | 2,255 |
| | Total cash and cash equivalents | 2,868,520,930 | 6,456,954,609 |

| 19 (a) Detailed analysis of cash and cash equivalents | | | |
|---|----------------|----------------------|----------------------|
| | | 2020-2021 | 2019-2020 |
| Financial institution | Account number | Kshs | Kshs |
| a) Current account | | | |
| Cooperative Bank-operations | 01136084618500 | 533,232,327 | 6,201,128,652 |
| Cooperative Bank-Development | 01141084618501 | 524,012,283 | |
| Cooperative Bank-Escrow | 01141084618500 | 10,744,873 | 12,679,391 |
| Kenya Commercial bank-WASSIP-AF | 1139107380 | 1,084,991 | 11,609,087 |
| Kenya Commercial bank-AFD-NCT | 1156760372 | 47,083,757 | 210,274,150 |
| Kenya Commercial bank-KISSIP | 1143199359 | 710,143 | 992,223 |
| NIC Bank-ADB NARSIP | 1000017414 | 25,395,468 | 221,864 |
| SBM Bank-Saving Account | 0212056995007 | 6,869,221 | 6,513,339 |
| SBM Bank-Current | 0212056995003 | 8,908,291 | 4,562,285 |
| Nairobi Water & Sanitation Project-AFD | 1279693258 | 43,203 | |
| CFC-Stanbic | 0100007078263 | 77,798,011 | |
| Sub- total | | 1,235,882,567 | 6,447,980,991 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | | | |
|----------------------------------|--|----------------------|----------------------|
| | | | - |
| b) On - call deposits | | | |
| Cooperative Bank | | 1,627,500,000 | |
| Cooperative Bank | | - | |
| Sub- total | | 1,627,500,000 | |
| | | | |
| c) Fixed deposits account | | | |
| Cooperative Bank | | 1,108,385 | 1,108,385 |
| SBM Bank | | 3,931,489 | 7,862,978 |
| Sub- total | | 5,039,874 | 8,971,363 |
| | | | |
| d) Others | | | |
| cash in hand | | 98,490 | 2,255 |
| Sub- total | | 98,490 | 2,255 |
| Grand total | | 2,868,520,930 | 6,456,954,609 |

| | | | |
|----|--|----------------------|----------------------|
| 20 | Receivable from Exchange Transaction | 2021 | 2020 |
| | a) Current Receivables from Exchange Transactions | | |
| | Description | 2020-2021 | 2019-2020 |
| | | KShs | KShs |
| | Current Receivables | | |
| | Receivables-WSPs | 0 | 0 |
| | Receivable NCWSC | 0 | 0 |
| | Total non-current receivables | 0 | 0 |
| | b) Long-term Receivables from Exchange Transactions | | |
| | Description | 2020-2021 | 2019-2020 |
| | | KShs | KShs |
| | Total Receivables | | |
| | Receivables-WSPs | 392,404,608 | 392,404,608 |
| | Receivable NCWSC | 4,317,945,792 | 4,317,945,792 |
| | Less: Provision for bad and doubtful debts | (224,302,400) | (224,302,400) |
| | | 4,486,048,000 | 4,486,048,000 |
| | Current portion transferred to current receivables | 0 | 0 |
| | Total non-current receivables | 4,486,048,000 | 4,486,048,000 |
| | Total receivables (a+b) | 4,486,048,000 | 4,486,048,000 |
| | | | |
| | (c) Reconciliation for Impairment Allowance/Provision on Receivables from Exchange Transactions | | |
| | Impairment Allowance/ Provision | 2020-2021 | 2019-2020 |
| | | Kshs | Kshs |
| | At the beginning of the year | 224,302,400 | 224,373,242 |
| | Additional provisions during the year | - | - |
| | Recovered during the year | - | 70,842 |
| | Written off during the year | - | - |
| | At the end of the year | 224,302,400 | 224,302,400 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| 21 | Receivable from Non-Exchange Transaction | 2021 | 2020 |
|----|---|-----------------------|-----------------------|
| | | Kshs | Kshs |
| | Other Debtors | 4,090,757,433 | 2,188,072,236 |
| | Receivable Chase Bank | 7,862,977 | 7,862,977 |
| | Staff Debtors | 5,599,837 | 3,700,247 |
| | Advance payments | 13,076,260,354 | 11,208,733,104 |
| | Transport operating deposit | 200,000 | 200,000 |
| | Rent Deposit | 4,705,228 | 4,705,228 |
| | Total | 17,185,385,829 | 13,413,273,791 |
| | | | |
| 22 | Inventory | 2021 | 2020 |
| | Office consumables | 3,912,703 | 1,469,935 |
| | Total | 3,912,703 | 1,469,935 |
| | | | |
| 23 | Prepayments | 2021 | 2020 |
| | Prepaid maintenance | 2,583,488 | 1,759,868 |
| | Prepaid rent | | 12,184,496 |
| | Prepaid insurance | 17,222,501 | 11,322,078 |
| | Total | 19,805,989 | 25,266,442 |
| | | | |
| 24 | Trade & Other payables from Exchange transactions | 2021 | 2020 |
| | Accounts Payable | 3,194,238,869 | 1,405,244,178 |
| | VAT & W/holding Tax | 250,114,081 | 308,791,290 |
| | Total | 3,444,352,950 | 1,714,035,468 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| 25 | Current provisions | Untaken leave benefits Kshs | Audit and management fees Kshs | Provision for bad debts Kshs | Amount in KDIC Kshs | Total Kshs |
|----|---|-----------------------------|--------------------------------|------------------------------|---------------------|-------------|
| | Balance as at 1st July 2019 | 4,367,318 | 928,000 | 224,373,241.65 | 7,862,977.00 | 237,531,537 |
| | Provision for the year | 646,918 | - | - | - | 646,918 |
| | Provision utilized in the year | (1,565,554) | - | (70,841.67) | - | (1,636,396) |
| | Provision as at 30th June 2020 | 3,448,681 | 928,000 | 224,302,399.98 | 7,862,977.00 | 236,542,058 |
| | Increase/decrease in provisions as at 30/6/2020 | (918,637) | - | (70,841.67) | - | (989,478) |
| | Balance as at 1st July 2020 | 3,448,681 | 928,000 | 224,302,399.98 | 7,862,977.00 | 236,542,058 |
| | Provision added for the year | 2,241,646 | - | - | - | 2,241,646 |
| | Provision as at 30th June 2021 | 5,690,327 | 928,000 | 224,302,399.98 | 7,862,977.00 | 238,783,704 |
| | Increase/decrease in provisions | 2,241,646 | - | - | - | 2,241,646 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | Description | 2020-2021 | 2019-2020 |
|----|---|-----------|-----------|
| | | Kshs | Kshs |
| 26 | Deferred Income-Short Term | | |
| | IDA | 2,883 | 1,704,675 |
| | Total | 2,883 | 1,704,675 |
| | | | |
| 27 | Employee entitlements and payroll creditors | | |
| | Employee Entitlements | 70,256 | 62,446 |
| | Payroll creditors | 5,689,212 | 4,024,486 |
| | Total | 5,759,468 | 4,086,933 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| 28 | LOANS | | | | | | |
|----|--------------------------------|-----------------------|------------------------------|---------------------------------|--------------------------|----------------------------|--|
| | Loan balances 2019/2020 | | | | | | |
| | Loan | Principal loan amount | Interest charge for the year | Interest Balance as at 1/7/2020 | Payments During the year | Total loan as at 30/6/2020 | |
| | | Kshs | Kshs | Kshs | Kshs | Kshs | |
| | a. Loans-AFD | 3,097,428,323 | 89,825,421 | - | 15,527,875 | 3,171,725,870 | |
| | b. WASSIP 1 loan amount | 5,422,171,162 | 81,332,567 | | | 5,503,503,729 | |
| | c. LOAN KfW-NST | 492,003,876 | | | | 492,003,876 | |
| | d. LOAN KfW-NCWDN | 2,489,096,765 | | | | 2,489,096,765 | |
| | e. Loan-AFD NTC | 6,110,371,753 | | | | 6,110,371,753 | |
| | f. WASSIP AF Loan | 14,523,822,609 | | | | 14,523,822,609 | |
| | g. AfDB Loan - Nairobi Rivers | 4,338,713,894 | | | | 4,338,713,894 | |
| | h. Kenya Towns | 2,097,495,911 | | | | 2,097,495,911 | |
| | i. Loan-AFD RUIRU II DAM | 3,487,017,945 | | | | 3,487,017,945 | |
| | j. LOAN-NAIROBI RIVER PHASE II | | | | | | |
| | k. LOAN-KARIMENU II DAM | 2,103,888,032 | | | | 2,103,888,032 | |
| | Total | 44,162,010,268 | 171,157,989 | - | 15,527,875 | 44,317,640,382 | |
| | Loan Balances 2020/2021 | | | | | | |
| | Loan | Principal loan amount | Interest charge for the year | Interest Balance as at 1/7/2020 | Payments During the year | Total loan as at 30/6/2021 | |
| | | | | | | | |
| | a. Loans-AFD | 3,097,428,323 | 89,825,421 | 74,297,547 | | 3,261,551,291 | |
| | b. WASSIP 1 loan amount | 5,422,171,162 | 81,332,567 | 81,332,567 | | 5,584,836,297 | |
| | c. LOAN KfW-NST | 1,191,566,655 | | | | 1,191,566,655 | |
| | d. LOAN KfW-NCWDN | 2,793,920,037 | | | | 2,793,920,037 | |
| | e. Loan-AFD NTC | 6,110,221,753 | | | | 6,110,221,753 | |
| | f. WASSIP AF Loan | 14,523,822,608 | | | | 14,523,822,608 | |
| | g. AfDB Loan - Nairobi Rivers | 4,338,713,894 | | | | 4,338,713,894 | |
| | h. Kenya Towns | 3,302,014,050 | | | | 3,302,014,050 | |
| | i. Loan-AFD RUIRU II DAM | 3,706,073,876 | | | | 3,706,073,876 | |
| | j. LOAN-NAIROBI RIVER PHASE II | 641,810,482 | | | | 641,810,482 | |
| | k. LOAN-KARIMENU II DAM | 9,218,069,318 | | | | 9,218,069,318 | |
| | Total | 54,345,812,160 | 171,157,989 | 155,630,114 | - | 54,672,600,263 | |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | | | |
|-----------|--|-----------------------|-----------------------|
| 29 | Deferred Income-Long Term | Kshs | Kshs |
| | Kajiado rural | 1,957,250 | 2,281,200 |
| | GOK | 25,930,027,645 | 19,621,236,252 |
| | AFD | 2,617,059,886 | 2,055,900,000 |
| | WASSIP | 90,104 | 8,281,070 |
| | ACP-EU | 79,298,916 | 84,606,596 |
| | ADB | 149,003,167 | 156,429,791 |
| | KISSIP | 168,820,879 | 174,394,779 |
| | BADEA | 1,033,004,477 | 573,264,021 |
| | Ithanga Component I | 1,005,327,568 | 1,005,327,568 |
| | Ithanga Component II | 864,400,195 | 753,324,315 |
| | WSTF | 250,000,000 | |
| | Total | 32,098,990,087 | 24,435,045,594 |
| 30 | Accumulated Fund | | |
| | Opening Balance | 75,851,678 | 681,830,508.63 |
| | Prior year | | |
| | Surplus for the period | (562,253,418) | (605,978,830) |
| | Total | (486,401,740) | 75,851,678.26 |
| 31 | GoK cash receipts Recurrent | | |
| | Bank | 393,999,997 | 400,000,000 |
| | Less amount not received by end of the year | 32,833,333 | |
| | Total | 361,166,664 | 400,000,000 |
| 32 | Receipts from WSPs | | |
| | Opening balance | 4,486,048,000 | 4,487,464,837 |
| | Billing in the year | 16,939,500 | 17,301,118 |
| | | 4,502,987,500 | 4,504,765,955 |
| | Closing balance | 4,486,048,000 | 4,486,048,000 |
| | Receipts during the year | 16,939,500 | 18,717,955 |
| 33 | Cash paid for employee compensation | 2021 | 2020 |
| | Employee costs | 264,896,808 | 240,023,014 |
| | (Increase)/ Decrease in payroll creditors | (1,664,726) | 826,317 |
| | (Increase)/ Decrease in employee entitlements | (7,810) | -1,916 |
| | Total | 263,224,273 | 240,847,415 |
| 34 | Cash paid for administration costs | 2,021 | 2020 |
| | Administration costs | 140,299,570 | 138,901,299 |
| | Increase/(Decrease) in inventory | 2,442,768 | (3,064,191) |
| | Increase/(Decrease) in prepayments | (5,460,453) | 14,778,434 |
| | Tax on interest income | 19,543,219 | |
| | Total | 156,825,104 | 150,615,542 |
| 35 | Cash paid for directors remuneration & Board expenses | | |
| | Directors honoraria, allowances and other expenses | 22,373,460 | 26,433,708 |
| | Total | 22,373,460 | 26,433,708 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | | | |
|-----------|---|------------------------|------------------------|
| 36 | Cash paid for operation and project costs | | |
| | Operation expenses | 259,926,345 | 131,600,767 |
| | Project costs | 18,168,965 | 265,759,126 |
| | (Increase)/Decrease in creditors | | 47,712,653 |
| | Operation expenses paid as direct payments | (17,650,176) | (130,120,390) |
| | Total | 260,445,134 | 314,952,157 |
| 37 | Cash paid for Purchase of property, plant, equipment and intangible assets | | |
| | Cost of PPE purchased | 19,649,032,356 | 7,972,516,701 |
| | Cost of Intangible assets Purchased | | 4,248,759 |
| | WIP adjustment/(disposals) | | (5,732,487) |
| | Total | 19,649,032,356 | 7,971,032,973 |
| 38 | Increase/(decrease) in non-exchange receivables | | |
| | Land compensation deposit to NLC | (1,902,685,197) | (653,903,786) |
| | Advance payments | (1,867,527,250) | (3,920,082,838) |
| | SBM, Other deposits-rent and transport | - | - |
| | Rent deposit | (0) | |
| | Ministry of Water Sanitation & Irrigation | 32,833,333 | |
| | Staff debtors | (1,899,590) | (4,142) |
| | Total | (3,739,278,705) | (4,573,990,766) |
| 39 | Payments to Creditors | | |
| | Closing creditor balance | 3,444,352,950 | 1,714,035,468 |
| | Opening creditor balance | 1,714,035,468 | 1,327,839,153 |
| | Total | 1,730,317,482 | 386,196,315 |
| 40 | Proceeds from borrowings | | |
| | Closing balance | 54,672,600,263 | 44,317,640,382 |
| | Add loan repayments in the year | - | 15,527,875 |
| | Less interest charge for the year | 171,157,989 | 171,157,989 |
| | Less Opening balance | 44,317,640,382 | 35,458,010,300 |
| | Loan amount received during the year | 10,183,801,892 | 8,703,999,968 |
| 41 | Repayment of borrowings | | |
| | Bank-AFD loan repayment | - | 15,527,875 |
| | Total | - | 15,527,875 |

**Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021**

| | | | | |
|----|--------------------------------------|-----------------------|--------------------------|-----------------------|
| 42 | Increase/Decrease in deferred income | | | |
| | Increase in deferred income | Opening balance | Transfer to Grant income | closing balance |
| | IDA short-term | 2,004,890 | 300,214 | 1,704,675 |
| | IDA Long-term | 1,383,927 | 1,383,927 | - |
| | Kajiado rural | 3,089,200 | 808,000 | 2,281,200 |
| | GOK | 12,399,440,716 | 182,829,524 | 19,621,236,252 |
| | AFD | 2,121,820,272 | 65,920,272 | 2,055,900,000 |
| | WASSIP | 17,781,919 | 50,321,586 | 8,281,070 |
| | ACP-EU | 89,262,531 | 4,655,935 | 84,606,596 |
| | ADB | 170,237,730 | 13,807,939 | 156,429,791 |
| | KISSIP | 181,628,931 | 7,234,152 | 174,394,779 |
| | BADEA | 436,250,853 | - | 573,264,021 |
| | Ithanga Component I | 1,005,327,568 | - | 1,005,327,568 |
| | Ithanga Component II | 753,324,315 | - | 753,324,315 |
| | Total | 17,181,552,852 | 327,261,549 | 24,436,750,267 |
| | | | | 7,582,458,964 |
| | | | | |
| | Increase in deferred income | Opening balance | Transfer to Grant income | closing balance |
| | IDA short-term | 1,704,675 | 1,701,792 | 2,883 |
| | Kajiado rural | 2,281,200 | 323,950 | 1,957,250 |
| | GOK | 19,621,236,252 | 319,958,605 | 25,930,027,645 |
| | AFD | 2,055,900,000 | 66,340,114 | 2,617,059,886 |
| | WASSIP | 8,281,070 | 8,190,966 | 90,104 |
| | ACP-EU | 84,606,596 | 5,307,680 | 79,298,916 |
| | ADB | 156,429,791 | 7,426,624 | 149,003,167 |
| | KISSIP | 174,394,779 | 5,573,900 | 168,820,879 |
| | BADEA | 573,264,021 | | 1,033,004,477 |
| | Ithanga Component I | 1,005,327,568 | | 1,005,327,568 |
| | Ithanga Component II | 753,324,315 | | 864,400,195 |
| | Deferred Income-WSTF Non-current | | | 250,000,000 |
| | Total | 24,436,750,267 | 414,823,631 | 32,098,992,970 |
| | | | | 8,077,066,335 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

43 FINANCIAL RISK MANAGEMENT

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

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

i. Credit risk

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

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

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

| | Total amount | Fully performing | Past due | Impaired |
|--|-----------------------|-------------------------|----------------------|--------------------|
| | Kshs | Kshs | Kshs | Kshs |
| At 30 June 2021 | | | | |
| Receivables from exchange transactions | 4,486,048,000 | | 4,486,048,000 | 224,302,400 |
| Receivables from non-exchange transactions | 17,116,478,702 | 17,116,478,702 | | |
| Bank balances | 2,866,596,366 | 2,866,596,366 | | 7,862,977 |
| Total | 24,469,123,067 | 19,983,075,068 | 4,486,048,000 | 232,165,377 |
| At 30 June 2020 | | | | |
| Receivables from exchange transactions | 4,486,048,000 | | 4,486,048,000 | 224,302,400 |
| Receivables from non-exchange transactions | 13,413,273,791 | 13,413,273,791 | | |
| Bank balances | 6,456,954,609 | 6,456,954,609 | | 7,862,977 |
| Total | 24,356,276,400 | 19,870,228,401 | 4,486,048,000 | 232,165,377 |

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

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

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

ii. Liquidity risk management

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

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

| | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-----------------------------|----------------------|--------------------|----------------------|----------------------|
| | Kshs | Kshs | Kshs | Kshs |
| At 30 June 2021 | | | | |
| Trade payables | 1,717,900,182 | 63,157,774 | 1,639,898,751 | 3,420,956,707 |
| Provisions | 2,241,646 | | 236,542,058 | 238,783,704 |
| Deferred income | | | 1,704,675 | 1,704,675 |
| Employee benefit obligation | 5,655,122 | | | 5,655,122 |
| Total | 1,725,796,950 | 63,157,774 | 1,878,145,484 | 3,667,100,208 |
| | | | | |
| At 30 June 2020 | | | | |
| Trade payables | 422,946,388 | | 825,692,873 | 1,248,639,260 |
| Provisions | | | 236,542,058 | 236,542,058 |
| Deferred income | | | 1,704,675 | 1,704,675 |
| Employee benefit obligation | 4,026,402 | | 60,531 | 4,086,933 |
| Total | 426,972,789 | - | 1,064,000,137 | 1,490,972,927 |

iii. Market Risk

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

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

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

a) Foreign Currency Risk

The entity has transactional currency exposures. Such exposure arises through contract prices which are denominated in foreign currency yet AWWDA's income is wholly in local currency. Since most of such contracts are development partner funded, AWWDA has mitigated the risk by enforcing direct payments as the preferred method of disbursement hence minimizing the exposure. AWWDA did not have foreign denominated monetary assets as at 30 June 2021.

b) Interest rate risk

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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

Management of interest rate risk

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

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The entity considers relevant and observable market prices in its valuations where possible. AWWDA did not have any financial instruments in the 2020/2021FY.

(ii) Capital Risk Management

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

| | 2020-2021 | 2019-2020 |
|---|-----------------------|-----------------------|
| | Kshs | Kshs |
| Revaluation reserve | - | - |
| Retained earnings | (489,021,581) | 75,851,678 |
| Total assets | 90,890,351,463 | 70,784,906,788 |
| Total funds | 90,401,329,882 | 70,860,758,466 |
| | | |
| Total borrowings | 55,540,126,645 | 44,317,640,382 |
| Less: cash and bank balances | (2,866,596,366) | (6,456,954,609) |
| Net debt/(excess cash and cash equivalents) | 52,673,530,280 | 37,860,685,773 |
| Gearing | 58% | 53% |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

44 RELATED PARTY BALANCES

a) Nature of related party relationships

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

Government of Kenya

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

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

| | 2020-2021 | 2019-2020 |
|--|----------------------|----------------------|
| | Kshs | Kshs |
| Transactions with related parties | | |
| | | |
| a) Sales to related parties | | |
| N/A | | |
| Total | | |
| | | |
| b) Grants from the Government | | |
| Grants from National Govt | 5,880,743,111 | 7,738,015,957 |
| Grants from County Government | 0 | - |
| Donations in kind | | |
| Total | 5,880,743,111 | 7,738,015,957 |
| | | |
| c) Expenses incurred on behalf of related party | | |
| N/A | | |
| | | |
| Total | | |
| | | |
| d) Key management compensation | | |
| Directors' emoluments | 11,359,600 | 26,433,708 |
| Compensation to the CEO | 6,290,000.00 | 7,798,200 |
| Compensation to key management | 12,614,670.00 | 13,712,400 |
| | | |
| Total | 30,264,270 | 47,944,308 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

45 SEGMENT INFORMATION

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

46 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

AWWDA did not have any contingent asset or liability by the end of the FY2020/2021

47 CAPITAL COMMITMENTS

| | Capital commitments | 2020/2021 Kshs | 2019/2020 Kshs |
|-----|---|------------------------|-----------------------|
| 1. | Nairobi Water Distribution Network | 3,955,000,000 | 3,955,000,000 |
| 2. | Nairobi Satellite Towns Water and Sanitation Program | 2,886,677,274 | 2,886,677,274 |
| 3. | Extension of Nairobi Water Supply (Northern Collector) | 6,217,799,471 | 6,217,799,471 |
| 4. | Ithanga Water supply | 2,530,000,000 | 2,530,000,000 |
| 5. | Water & Sanitation Services & Improvement Project (Athi WSB) | 5,907,685,463 | 5,907,685,463 |
| 6. | Rehabilitation Of Water Supply And Sewerage For Oloitokitok Town | 784,000,000 | 784,000,000 |
| 7. | Kiserian Sewerage Project | | |
| 8. | Kenya Towns Sustainable Water Supply and Sanitation Program | 9,370,350,525 | 9,370,350,525 |
| 9. | Nairobi Metro Area Bulk Water Sources-Ruiru II Dam | 25,000,000,000 | 25,000,000,000 |
| 10. | Nairobi Metro Area Bulk Water Sources-Karimenu II | 17,350,000,000 | 17,350,000,000 |
| 11. | Nairobi City Regeneration Programme | 895,000,000 | 895,000,000 |
| 12. | Nairobi Sewerage Intervention | 250,000,000 | 250,000,000 |
| 13. | Ground Water Exploitation | 126,000,000 | 126,000,000 |
| 14. | Kajiado Rural Water Supply | 9,990,001,000 | 9,990,001,000 |
| 15. | Water for Schools | 83,000,000 | 83,000,000 |
| 16. | National Water Harvesting and Ground water Exploitation Program (Gatango, Kiawajumbe and Ngecha) | 40,000,000 | 40,000,000 |
| 17. | Cross County Bulk Water and Sanitation Improvement Program | 717,000,000 | 717,000,000 |
| 18. | Northern Collector Water Supply | 2,114,981,918 | 2,114,981,918 |
| 19. | Relocation of Water Lines and Sewer Lines - Nairobi Express Way | 3,500,000,000 | 2,000,000,000 |
| 20. | Drilling of Boreholes and Installation of Tanks in Nairobi | 200,000,000 | 200,000,000 |
| 21. | Nairobi Rivers Basin Rehabilitation And Restoration Programme: Sewerage Improvement Project: Phase II | 9,050,000,000 | |
| 22. | Expansion Works for Dandora Sewerage Treatment works | 880,000,000 | |
| 23. | Nairobi Inclusive Sanitation Project | 100,000,000 | |
| 24. | WSTF-Gatundu Water and Sanitation Projects | 400,000,000 | |
| 25. | TOTAL | 102,347,495,651 | 90,417,495,651 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

48 SURPLUS REMISSION

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. ***The entity did not make any surplus during the year (FY 2020 2021) and hence any remittance to the Consolidated Fund.***

49 Taxation

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

50 Deferred Tax Liability

AWWDA did not have any deferred tax liability in 2020/2021FY as AWWDA is a state corporation under IPSAS and as such is not expected to pay taxes

51 Events after the Reporting Period

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

52 Ultimate and Holding Entity

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

53 Currency

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

**Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021**

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--|-----------------------------------|--|
| 1 | Property, Plant and Equipment | | | | |
| | 1.1 Fully Depreciated Assets. | | | | |
| | The property, plant and equipment reflects Kshs.31, 093,890,875, as disclosed in note 16. Included in these assets are fully depreciated assets whose original cost is Kshs. 213,150,059. These assets are still in good working conditions and were being utilized by the Board, during the year and review. It was observed that management has not revalued the above assets and recognized them in the books at the revaluation amounts, contrary to the requirements of IPSAS 17 paragraph44. Further, management did not review the useful economic life of the above assets before they were fully depreciated. | We concur with the observation by the Office of the Auditor General. AWWDA policy requires the revaluation to be undertaken every 5 years for Equipment. In line with the policy revaluation is scheduled to be undertaken in the Financial year 2019-20. AWWDA has since engaged a consultant to undertake asset revaluation. The assignment will be complete by 30th July 2021 | The Chief Manager-Finance and Strategy | Partly resolved | 30 th June 2022 |
| | 1.2 Inherited Assets | | | | |
| | As previously reported, the Board inherited non-current assets of undetermined value previously held by the Ministry of Water and Irrigation and National Water Conservation and Pipeline Corporation in respect of water infrastructure, which have not been incorporated in the financial statements. In view of the foregoing, it has not been possible to confirm the accuracy, valuation and completeness of the property, plant and | This matter was linked to the lack of implementation of the transfer plan under the Water Act 2002, which has since been resolved by the Water Act, 2016, Section 152 Transition Provisions, that provides that all property, assets, rights, liabilities, obligations, agreements and other arrangements existing concerning the operation of water services boards at the commencement of the Act and vested in, | The Chief Executive Officer | Partly Resolved | 31 st December 2021 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|--|-----------------------------------|--|
| | equipment balance of Kshs.31, 093,890,875 as at 30 June 2018. | acquired, incurred or entered into by or on behalf of the water services boards established by the Water Act, 2002 shall, upon commencement of the Act, be deemed to have vested in or to have been acquired, incurred or entered into by or on behalf of the water works development agencies to the same extent as they were enforceable by or against the water services boards before the commencement of the Act. This Act came into effect on 3rd May, 2019 and the Ministry of Water & Sanitation and Irrigation developed on the policy guidelines on the same. The MWSI is currently undertaking asset validation upon whose completion the asset transfer can be finalised | | | |
| Other Matter | | | | | |
| 1 | The statement of financial position as at 30 June 2019 reflects exchange transactions amounting to Kshs.4, 487,464,837, as further disclosed in Note 19 to the financial statements. Included in the balance is a sum of Kshs.4,112,329,326 owed to the Agency by Nairobi County Water and Sewerage Company, which has, however, been outstanding for several years. Also included in the balance is a sum of Kshs.375,135,511 owed to various water service providers. However, the debts have been outstanding for various periods longer than 90 days and are therefore overdue for payment: Outstanding Receivables from Water Companies | <p>AWWDA confirms that a total of Kshs. 4,487,469,233.50 remained outstanding from the WSPs for more than 90 days. We confirm that the management has made several efforts in a bid to collect the debt including:</p> <ul style="list-style-type: none"> • Holding a workshop in Naivasha with the Kiambu county WSPs together with the county leadership • Initiating the process to engage a professional debt collector through a board | The Chief Executive Officer | Partly resolved | 30 th June 2022 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| Reference No. on the external audit Report | Issue / Observations from Auditor | | | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|----------------|--|--|-----------------------------------|--|
| | Debtor Code | Name | Balance Kshs. | <p>approval after which the Attorney General advised that AWWDA should explore for alternative debt collection efforts in the spirit of intergovernmental relations Act; including mediation process incorporating the National Treasury and Planning, the Ministry of Water & Sanitation and Irrigation, AWWDA and any other relevant agency. AWWDA was advised that engagement of a debt collector should be option as a last resort.</p> <p>We confirm our commitment to collect the outstanding amounts from the WSPs because most of it relates to loan repayment and the WSPs on their part continue to recognize such amounts as owing.</p> <p>High court deposit Regarding the Kshs.7,092,497 deposited with the high court of Kenya. In the judgement of 10th December 2019, the court determined the amount payable under this case to be Kshs 44,720.</p> <p>AWWDA filed an application to have the money deposit account discharged and the money to be withdrawn in favour of AWWDA. The application went unopposed and it was due for hearing on 30th March 2020 at a time when the court</p> | | | |
| | K002 | Karuri Water and Sanitation Company | | | | | |
| | WSP053 | Thika Water and Sewerage Company Ltd | 21,533,276.30 | | | | |
| | WSP151 | Ruiru Juja and Sewerage Company | 174,754,006.45 | | | | |
| | WSP152 | Gatundu South Water and Sanitation Co Ltd | 1,054,403.44 | | | | |
| | WSP161 | Karimenu Water and Sanitation Co Ltd | 30,267,129.58 | | | | |
| | WSP162 | Gatanga Community Water Scheme | 609,192.25 | | | | |
| | WSP 180 | Kikuyu Water Company Ltd | 12,805,944.34 | | | | |
| | WSP 181 | Limuru Water and Sewerage Company Ltd | 33,850,491.76 | | | | |
| | WSP 182 | Githunguri Water and Sanitation Co Ltd | 49,573,612.58 | | | | |
| | WSP 183 | | 24,420,601.09 | | | | |
| | | | 26,271,249.71 | | | | |
| | TOTAL | | 375,139,907.50 | | | | |
| | Further, the statement of financial position as at 30 June 2019 reflects receivables from non-exchange transactions amounting to Kshs.8,839,283,025, as further disclosed in Note 20 to the financial statements. Included in this balance is a sum of Kshs.7,092,497 due from the High Court of Kenya, which arose in 2014/2015. | | | | | | |

**Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021**

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|---|---|--|---|
| | In view of the long delays in recovering these amounts, it is not possible to confirm their recoverability and the validity of the receivables from exchange and non-exchange transactions balance totaling Kshs.4,494,561,730 reflected in the statement of financial position as at 30 June 2019. | <p>processes were adjourned due to COVID-19 threat. The hearing happened 10th March 2021 as scheduled and the ruling is coming up on 28th April 2021.</p> <p>A favourable outcome will mean that the deposit together all the accrued interest net of the amount already paid (Kshs 44,720) will revert to AWWDA. We confirm that the collection of the said amount is not in doubt.</p> | | | |
| 2 | <p>Non-Compliance with Legal Notice No. 101 of August 2006 - Transfer Plan</p> <p>According to the transfer plan under the Water Act 2002, which was operationalized vide legal Notice No. 101 of August 2005, Water Service Board ought to have taken over the assets, staff and other water infrastructure inherited from the Ministry of Water and Irrigation, the National Water Conservation and Pipeline Corporation. Although, Athi Water Service Board, the Ministry of Water and Irrigation and the National Water Conservation and Pipeline Corporation had finalized the revaluation of the assets, Athi Water Service Board had not taken over the Assets as at 30 June 2018. The Board is therefore in contravention of legal Notice No. 101 of August 2005 and the Water Act 2002.</p> | <p>This has been resolved by the Water Act, 2016, Section 152 Transition Provisions, that provides that all property, assets, rights, liabilities, obligations, agreements and other arrangements existing concerning the operation of water services boards at the commencement of the Act and vested in, acquired, incurred or entered into by or on behalf of the water services boards established by the Water Act, 2002 shall, upon commencement of the Act, be deemed to have vested in or to have been acquired, incurred or entered into by or on behalf of the water works development agencies to the same extent as they were enforceable by or against the water services boards before the commencement of the Act. This Act came into effect on 3rd May, 2019.</p> | The Chief Executive Officer | Resolved | 30th June 2022 |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021



ENG. MICHAEL M. THUITA
CHIEF EXECUTIVE OFFICER
DATE:



MS. BERYL OKUMU
CHAIRMAN
DATE:

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

APPENDIX II: PROJECTS IMPLEMENTED BY AWWDA

Projects

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

| S/No | Project title | Project Number | Donor | Period/ duration | Donor commitment (Kshs Millions) | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements (Yes/No) |
|------|---|----------------|------------------|---------------------|----------------------------------|---|---|
| 1. | Water & Sanitation Services & Improvement Project | 1107101600 | World Bank | Dec 2012-Dec 2021 | 14,880 | No | Yes |
| 2. | Extension of Nairobi Water Supply (Northern Collector) | 1107101300 | World Bank & AFD | Apr 2014-Dec 2021 | 10,050 | Yes | Yes |
| 3. | Nairobi Water Distribution Network Phase I | 1107101000 | KfW | Jul 2014-Dec 2021 | 2,700 | Yes | Yes |
| 4. | Nairobi Satellite Towns Water and Sanitation Program | 1107101100 | KfW | Jul 2014-Dec 2020 | 2,600 | Yes | Yes |
| 5. | Rehabilitation of Water Supply and Sewerage For Oloitokitok Town | 1107102400 | BADEA | Dec 2013-Jun 2020 | 825 | No | Yes |
| 6. | Kajiado Rural Water Supply | 1107102800 | BELGIUM | Apr 2016-Dec 2019 | 898 | No | Yes |
| 7. | Thika and Githunguri Water and Sanitation Project | 1107108100 | DANIDA | Jul 2017-Dec 2020 | 50 | No | Yes |
| 8. | Kenya Town Sustainable Water Supply and Sanitation Programme - Athi | 1107111400 | AfDB | Mar 2017-Dec 2022 | 9,000 | Yes | Yes |
| 9. | Nairobi Metro Area Bulk Water Sources - Karimenu II | 1107111701 | EXIM BANK | Jan 2018-Dec 2022 | 24,000 | No | Yes |
| 10. | Nairobi Metro Area Bulk Water Sources - Ruiru II Dam | 1107107100 | DEUTSCHE BANK | Jul 2017-Jan 2022 | 22,000 | No | Yes |
| 11. | Ithanga Water Supply | 1107109900 | BELGIUM | Sept 2017-Sept 2020 | 2,300 | No | Yes |
| | Nairobi Rivers Basin Rehabilitation And Restoration Programme: Sewerage | 1109102101 | AfDB | Nov 2018-Feb 2023 | 9,050 | Yes | Yes |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| S/No | Project title | Project Number | Donor | Period/ duration | Donor commitment (Kshs Millions) | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements (Yes/No) |
|------|--------------------------------------|----------------|-------|------------------|----------------------------------|---|---|
| | Improvement Project: Phase II | | | | | | |
| | Nairobi Inclusive Sanitation Project | | AfDB | | 100 | Yes (The project did not disburse in 2020/2021FY) | Yes |
| | | | | | | | |
| | Total | | | | 93,542 | | |

Status of Projects completion

| | Project | Total project Cost Kshs Millions | Total expended to date Kshs Millions | Completion % to date | Budget | Actual | Sources of funds |
|----|--|----------------------------------|--------------------------------------|----------------------|----------|----------|--|
| 1 | Water & Sanitation Services & Improvement Project | 16,000 | 10,715 | 92% | 740.00 | 2,568.09 | IDA/ World Bank |
| 2 | Extension of Nairobi Water Supply (Northern Collector) | 11,060 | 4,730 | 65% | 2,631.00 | 899.82 | AFD |
| 3 | Nairobi Water Distribution Network Phase I | 3,300 | 1,618 | 87% | 680.00 | 544.55 | KfW |
| 4 | Nairobi City Regeneration Programme | 2,895 | 1,001 | 60% | 895 | 502.21 | GoK |
| 5 | Nairobi Sewerage Intervention | 250 | 168 | 50% | 250 | 168 | GoK |
| 6 | Ground Water Exploitation | 126 | 68 | 50% | 126 | 68 | GoK |
| 7 | Nairobi Rivers Basin Restoration Programme: Sewerage Improvement | 4,710 | 4,540 | 100% | 170.00 | 170.00 | AfDB (the pending Bills by GOK was fully paid) |
| 8 | Nairobi Satellite Towns Water and Sanitation Program | 3,080 | 727 | 10% | 500 | 450.77 | KfW |
| 10 | Rehabilitation of Water Supply and Sewerage For Oloitokitok Town | 1,123 | 657 | 70% | 238 | 137.01 | BADEA |
| 11 | Kajiado Rural Water Supply | 999 | 894 | 73% | 232 | 230 | Belgium |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | Project | Total project Cost Kshs Millions | Total expended to date Kshs Millions | Completion % to date | Budget | Actual | Sources of funds |
|----|--|---|---|-----------------------------|------------------|---------------|-------------------------|
| 12 | Thika and Githunguri Water and Sanitation Project | 100 | 77 | 5% | 33 | 0.00 | Danida |
| 13 | Kenya Town Sustainable water Supply and Sanitation Programme - Athi | 9,400 | 512 | 18% | 1,650.00 | 832.97 | AfDB |
| 14 | Nairobi Metro Area Bulk Water Sources - Karimenu II | 28,000 | 5,910 | 10% | 1,900 | 891 | Exim Bank-EPC-F |
| 15 | Nairobi Metro Area Bulk Water Sources - Ruiru II Dam | 25,000 | 530 | 5% | 3,650.00 | 1,957.62 | Deutsche Bank - EPC-F |
| 16 | Ithanga Water Supply | 2,530 | 1,121 | 65% | 438 | 281.70 | Belgium |
| 15 | Water for Schools | 83 | | | 83.00 | | |
| 16 | National Water Harvesting and Ground Water Exploitation Program (Gatango, Kiawajumbe and Ngecha) | 40 | | | 40.00 | | GoK |
| 17 | Cross County Bulk Water and Sanitation Improvement Program | 717 | | | 717.00 | | GoK |
| 18 | Northern Collector Water Supply | 2,115 | | | 2,114.98 | | GoK |
| 19 | Relocation of Water Lines and Sewer Lines - Nairobi Express Way | 2,000 | | | 2,000.00 | | GoK |
| 20 | Drilling of Boreholes and Installation of Tanks in Nairobi | 200 | | | 200.00 | | GoK |
| | | 113,728 | 33,268 | | 19,287.98 | | |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

APPENDIX III: INTER-ENTITY TRANSFERS

| | | | | |
|----|---|-------------------------------------|---------------|---|
| | ENTITY NAME: | ATHI WATER WORKS DEVELOPMENT AGENCY | | |
| | Break down of Transfers from the State Department of Water and Sanitation | | | |
| | FY 2020/2021 | | | |
| | | | | |
| a. | Recurrent Grants | | | |
| | | Bank Statement Date | Amount (KShs) | Indicate the FY to which the amounts relate |
| | Recurrent Funds | 09-Sep-20 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 09-Sep-20 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 05-Oct-20 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 06-Nov-20 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 07-Dec-20 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 18-Jan-21 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 04-Feb-21 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 04-Mar-21 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 09-Apr-21 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 05-May-21 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 23-Jun-21 | 32,833,333 | 2020/2021 |
| | Recurrent Funds | 05-Jul-21 | 32,833,333 | 2020/2021 |
| | | Total | 393,999,996 | |
| | | | | |
| b. | Development Grants | | | |
| | | Bank Statement Date | Amount (KShs) | Indicate the FY to which the amounts relate |
| | Development Funds - 1st Quarter | 17-Sep-20 | 721,750,000 | 2020/2021 |
| | Development Funds - 2nd Quarter | 10-Feb-21 | 375,000,000 | 2020/2021 |
| | Water for Cross County Program | 09-Jul-21 | 125,000,000 | 2020/2021 |
| | Development Funds - Drilling of B/holes Informal Settlements | 06-May-21 | 500,000,000 | 2020/2021 |
| | Small Dams, Pans & Boreholes Programme | 18-Dec-20 | 5,000,000 | 2020/2021 |
| | Karimenu II | 11-May-21 | 900,000,000 | 2020/2021 |
| | Karimenu II | 09-Jul-21 | 250,000,000 | 2020/2021 |
| | AFD NCT funds | 6-May-21 | 627,500,000 | 2020/2021 |
| | IDA Funds | 23-Feb-21 | 372,000,000 | 2020/2021 |
| | Wassip AF Funds | 06-May-21 | 1,700,000,000 | 2020/2021 |
| | Dandora | 12-May-21 | 580,000,000 | 2020/2021 |
| | WSTF | 19-Aug-20 | 250,000,000 | 2020/2021 |
| | Nairobi Expressway Funds | 21-Jun-21 | 1,100,000,000 | 2020/2021 |
| | | Total | 7,506,250,000 | |
| | | | | |
| c. | Direct Payments | | | |

Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

| | | | | |
|----|---|-------------------------------------|----------------------|--|
| | ENTITY NAME: | ATHI WATER WORKS DEVELOPMENT AGENCY | | |
| | Break down of Transfers from the State Department of Water and Sanitation | | | |
| | FY 2020/2021 | | | |
| | | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
| | Nairobi Distribution -KfW | N/A | 304,823,272 | 2020/2021 |
| | Satellite Town -KfW | N/A | 717,212,955 | 2020/2021 |
| | Kenya Towns Programme (KTSWSSP) | N/A | 1,100,050,412 | 2020/2021 |
| | Karimenu II Dam | N/A | 7,114,181,261 | 2020/2021 |
| | Narsip II | N/A | 641,810,482 | 2020/2021 |
| | Oloitoktok BADEA | N/A | 459,740,456 | 2020/2021 |
| | Ithanga-Belgium | N/A | 111,075,880 | 2020/2021 |
| | | Total | 10,448,894,719 | |
| | | | | |
| d. | Donor Receipts | | | |
| | | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
| | | | | |
| | Ruiru II Dam | 07-Dec-20 | 219,055,932 | 2020/2021 |
| | | Total | 219,055,932 | |
| | | | | |
| | | | 18,568,200,647 | |

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

Chief Manager, Finance and Strategy
Athi Water Works Development Agency

Sign



Head of Accounting Unit
Ministry of Water, Sanitation and Irrigation

Sign



Athi Water Works Development Agency
Annual Reports and Financial Statements
For the year ended June 30, 2021

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/Others | Total Amount - KES | Where Recorded/recognized | | | | | Total Transfers during the Year |
|--|-------------------------------------|--------------------------------------|-----------------------|------------------------------------|--------------|----------------------|-------------|-----------------------|---------------------------------|
| | | | | Statement of Financial Performance | Capital Fund | Deferred Income | Receivables | Others - Loan | |
| Ministry of Water Sanitation and Irrigation | Various | Recurrent | 393,999,996 | 393,999,996 | | | | | 393,999,996 |
| Ministry of Water Sanitation and Irrigation | Various | Development | 7,506,250,000 | | | 7,506,250,000 | | | 7,506,250,000 |
| KfW-Nairobi Distribution | Direct Payments | Development | 304,823,272 | | | | | 304,823,272 | 304,823,272 |
| KfW-Satellite Town | Direct Payments | Development | 717,212,955 | 17,650,176 | | | | 699,562,779 | 717,212,955 |
| AfDB- Kenya Towns Programme (KTSWSP) | Direct Payments | Development | 1,100,050,412 | | | | | 1,100,050,412 | 1,100,050,412 |
| Exim Bank-Karimenu II Dam | Direct Payments | Development | 7,114,181,261 | | | | | 7,114,181,261 | 7,114,181,261 |
| AfDB-Narsip II | Direct Payments | Development | 641,810,482 | | | | | 641,810,482 | 641,810,482 |
| Oloitoktok BADEA | Direct Payments | Development | 459,740,456 | | | 459,740,456 | | | 459,740,456 |
| Sogea Salom JV Vinci- Ruiru II Dam | 07-Dec-20 | Development | 219,055,932 | | | | | 219,055,932 | 219,055,932 |
| Belgium- Ithanga | Direct Payments | Development | 111,075,880 | | | 111,075,880 | | | 111,075,880 |
| | | | | | | | | | 0 |
| | | | | | | | | | 0 |
| Total | | | 18,568,200,647 | 411,650,172 | 0 | 8,077,066,336 | 0 | 10,079,484,139 | 18,568,200,647 |

