

REPUBLIC OF KENYA



Enhancing Accountability

NATIONAL ASSEMBLY
PAPERS LAID

DATE: 02 FEB 2022

DAY:
WED

REPORT

TABLED
BY:

Majority Whip

CLERK-AT
THE-TABLE:

Finlay M.

OF

NATIONAL ASSEMBLY
RECEIVED

14 DEC 2021

DEPUTY CLERK

P. O. Box 41842 - 00100, NAIROBI

THE AUDITOR-GENERAL

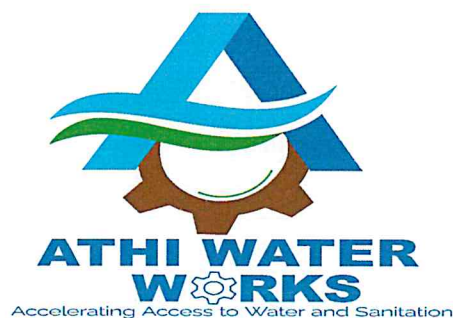
ON

**NORTHERN COLLECTOR PHASE 1-
ADDITIONAL REHABILITATION AND
DEVELOPMENT OF THE NETWORK PROJECT
(CREDIT NUMBER CKE-1074)**

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

**ATHI WATER WORKS DEVELOPMENT
AGENCY**





PROJECT NAME: NORTHERN COLLECTOR PHASE 1: WATER SUPPLY EXTENSION PROJECT AND ADDITIONAL
REHABILITATION AND DEVELOPMENT OF THE NETWORK

[FUNDED BY AGENCE FRANCAISE DE DEVELOPMENT]

Implementing Entity: ATHI WATER WORKS DEVELOPMENT AGENCY

PROJECT CREDIT NUMBER: CK 1074

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2021

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

CONTENTS

	PAGE
1. PROJECT INFORMATION AND OVERALL PERFORMANCE	ii
2 STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES	vii
3 CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	viii
4 STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	xvii
5 REPORT OF THE INDEPENDENT AUDITORS ON THE NORTHERN COLLECTOR PHASE 1: WATER SUPPLY EXTENSION PROJECT AND ADDITIONAL REHABILITATION AND DEVELOPMENT OF THE NETWORK.....	xviii
6 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021	1
7 STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021	2
8 STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021	3
9 STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS	4
10 SIGNIFICANT ACCOUNTING POLICIES.....	5
11 NOTES TO THE FINANCIAL STATEMENTS.....	10
12 OTHER IMPORTANT DISCLOSURES	14
13 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	16
14 APPENDICES	19

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project official name is Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network

Objective: The key objective of the project is to expand Nairobi water supply capacity in order to address water demand up to the year 2025 by:

- a) Increasing capacities of raw water transfer, treatment and treated water transfer of North Thika
- b) Rehabilitation and expansion of water distribution system of Nairobi
- c) Technical and Administrative strengthening of the water service provider.

Address: The project headquarters offices are in Nairobi, Kenya

The address of its registered office is:

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

Contacts: The following are the Project Contacts:

Telephone: (254) 0202724292/3
E-mail: info@awwda.go.ke
Website: www.awwda.go.ke

1.2 Project Information

Project Start Date:	The Project start date is 17 th January 2014
Original Project End Date:	The Project end date was 31-Dec-2018
Revised Project End Date	The Revised Project End date is 31 st December 2021
Project Manager:	The Project Manager is Eng. Joseph Kamau
Project Sponsor:	The Project Sponsor is the Agence Francaise De Development

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Water & Sanitation and Irrigation
Project number	CK 1074
Strategic goals of the project	The strategic goals of the project are as follows: (i) To increase access to clean water by 140,000m ³ /day for Nairobi City
Achievement of strategic goals	The project management aims to achieve the goals through the following means: i. Scale up the water transfer, treatment and transport capacity of Nairobi's "North Thika" drinking water supply system ii. Restructure and extend Nairobi's drinking water supply system. iii. Build the operators capacities for the technical and administrative management of the service.
Other important background information of the project	
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <p>i) Production Component.</p> <p>The water resources Master Plan validated by the Ministerial Meeting of 18th September 2012 provides for six investment phases until the 2030 deadline.</p> <p>The present project corresponds to the second phase, i.e., the development of Nairobi's "North Thika" drinking water supply system (Northern Collector) by financing the following infrastructure:</p> <ul style="list-style-type: none"> ▪ New tunnels and pipes to transfer raw water from the Irati, Gikigie, Maragua and Thika rivers to the existing Ndakaini reservoir or Thika dam; ▪ New pipeline (42 km-long, DN 1,300) to transfer raw water between Ndakaini reservoir (Thika dam) and the new Kigoro treatment plant; ▪ Construction of a new water treatment in Kigoro /Nairobi (treatment capacity of 141,000m³/day); ▪ New pipeline (17km-long, DN 1,000) to transfer treated water between Kigoro plant and the Kabete reservoir to the West of Nairobi. <p>ii) Distribution Component</p> <p>The project will improve the drinking water supply system in the City of Nairobi by rehabilitating and extending the network and developing access to drinking water in informal neighbourhoods. The feasibility study for this component recommends</p>

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

Line Ministry/State Department of the project	<p>The project is under the supervision of the Ministry of Water & Sanitation and Irrigation</p> <p>reinforcing or replacing 107km of network with a variable diameter (DN 150 to 800), rehabilitating three pumping stations and building three new reservoirs and pressure control system.</p> <p>The project also comprises operations to connect 180,000 residents in six informal sectors on the outskirts of the city.</p> <p>iii) Capacity building Component</p> <p>This component aims to improve the technical and administrative management of the services. It will also concern administrative losses, action targeting large consumers, defective meters, billing, collection and physical losses, thanks to improved pressure control and a systematic search for undetected leaks made possible through continuous distribution</p>
Project duration	The project started on 17th January 2014 and is expected to run until 31-Dec-2021

1.4 BANKERS

The following are the bankers for the current year:

- i) Kenya Commercial Bank- Account No 1156760372

1.5 AUDITORS

The project is audited by the Office of the Auditor General

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Eng. Joseph Kamau	Project coordinator	B.Sc. Civil Engineer	Project coordinator
Alphaxard Kitheko	Principal Engineer	B.Sc. Civil Engineer	Project Engineer
Ann Gacheri	Principal Procurement officer	MBA	Procurement Officer
Paul Muchai	Principal Accountant	B.com	Project Accountant

1.7 Funding summary

The project duration is six years running from 2014 to 2021 with an approved budget of Euros 100 million equivalent to about Kshs 11.242 billion.

The funding summary is as per the table below:

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
 Reports and Financial Statements
 For the financial year ended June 30, 2021

Source of funds	Donor Commitment-		Amount received to date – (30 th June 2021		Undrawn balance to date	
	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency KShs</i>	<i>KShs</i>	<i>Donor currency KShs</i>	<i>KShs</i>
	(A)	(A')	(B)	(B')	(A)- (B)	(A)-(B)
(i) Grant						
Insert name of donor	N/A	N/A	N/A	N/A	N/A	N/A
(ii) Loan						
Proceeds from Loan from Agence Francaise Development	100.00	11,242.00	62.85	7,065.60	37.15	4,176.40
Total	100.00	11,242.00	62.85	7,065.60	37.15	4,176.40

1.8 Summary of the overall project performance

In the financial year 2020/2021 the project had a budgeted disbursement of Kshs 1.1 billion. The actual disbursement as at 30th June 2021 was Ksh 636.71 million. This represents 58% utilisation for the year. The project performance as at 30th June 2021 is as follows:

i) Production Component.

As at 30th June 2021, the following activities had been undertaken

- i. Final designs and construction details of the "design and build "water treatment plant was completed at 98% progress - awaiting completion of the contract for construction of raw and treated water mains to enable the testing of the treatment plant and handle over.

ii) Distribution Component

As at 30th June 2021, the following activities had been undertaken:

- i. Works for the construction of the 55.2 km Ndakaini- Kigoro- Gigiri transmission pipeline continued and laying of an additional 18.1 km of pipes was completed. The project is at 36% completion. Acquisition of 11 Km has been achieved and the contractor has been mobilized to the acquired sections.

The main challenges experienced in the year included:

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

- i. Delay in releasing funds for VAT reimbursement
 - ii. Land acquisition challenges on the treated water section from Ngethu to Gigiri.
- a. Summary of Project Compliance:**

The project performed all its activities ensuring compliance with applicable laws and regulations, and essential external financing agreements/covenants

1.9 Summary of Project Compliance:

During the period the project complied with all the relevant laws, regulation and conditions set for the project

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

2 STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the project are to Expand water Capacity for Nairobi City through Construction of the Northern Collector Phase 1 and additional rehabilitation and developments of the networks. This will improve the access to quality water supply in Nairobi City.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
AFD Supported Northern Collector	Expand water Capacity for Nairobi City through Construction of the Northern Collector Phase 1 and additional rehabilitation and developments of the networks	Increased Water coverage of water in Nairobi city	% Increase in water coverage in Nairobi City	In FY 20/2021 the Water Treatment Plant was completed and 18Km of raw water pipelines from Thika Dam to the treatment plant laid

3 CORPORATE SOCIAL RESPONSIBILITY STATEMENT/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.

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

Approach

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

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

Table 1: Environmental and Social Safeguards

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

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

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.

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 ongoing construction projects are supervised and monitored to ensure proper implementation of project specific environmental management plans and environmental conservation.
- All motor vehicles are being regularly serviced as per manufacturer's recommendations.

Climate change mitigation and adaptation

AWWDA implements some projects with measures to adapt and/or mitigate against effects of climate change. For instance, rehabilitation of Dandora sewerage treatment plant is aimed at improving efficiency so as to reduce the

amount of GHG emission. The organization is also exploring the possibility of trapping methane generated from the sewerage treatment plants for energy use.

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

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

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

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

Promoting Environmental protection and conservation through partnerships with stakeholders

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

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

Environmental education and awareness

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

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

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

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 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

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

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

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

- 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.

**Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development
of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021**

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

4 STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Chief Executive Officer Athi Water Works Development Agency (AWWDA) and the Project Coordinator for Northern Collector Phase 1: Water Supply Extension Project (NCT-WSEP) are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial period ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangement 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 Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

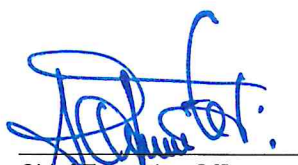
The Chief Executive Officer AWWDA and the Project Coordinator for NCT-WSEP accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Chief Executive Officer AWWDA and the Project Coordinator for NCT-WSEP are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial period ended June 30, 2021, and of the Project's financial position as at that date. The Chief Executive Officer AWWDA and the Project Coordinator for NCT-WSEP further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Chief Executive Officer AWWDA and the Project Coordinator for NCT-WSEP confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Chief Executive Officer Athi Water Works Development Agency and the Project Coordinator for NCT-WSEP on 28th September 2021 and signed by them.



Chief Executive Officer
Name: Eng. Michael M. Thuita

Date: 28/09/2021



Project Coordinator
Name: Eng. Joseph Kamau

Date: 28/09/2021



Manager, Finance and Accounts:
Name: CPA, Dr. Christine Mawia Julius
ICPAK Member Number: 6458

Date: 28/09/2021

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NORTHERN COLLECTOR PHASE 1- ADDITIONAL REHABILITATION AND DEVELOPMENT OF THE NETWORK PROJECT (CREDIT NUMBER CKE-1074) FOR THE YEAR ENDED 30 JUNE, 2021- ATHI WATER WORKS DEVELOPMENT AGENCY

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, gazetted 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 control, 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 of the Auditor-General on Northern Collector Phase 1-Additional Rehabilitation and Development of the Network (Credit Number Credit No. CKE 1074)-for the year ended 30 June, 2021 - Athi Water Works Development Agency

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Northern Collector Phase 1-Additional Rehabilitation and Development of the Network Project set out on pages 1 to 20, which comprise the statement of financial assets as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and statement of comparative 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, the financial statements present fairly, in all material respects, the financial position of Northern Collector Phase 1-Additional Rehabilitation and Development of the Network Project 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 (Cash Basis) and comply with the Credit Number CKE 1074- dated 22 October, 2014 between Agence Francaise De Development and the Republic of Kenya and Public Finance Management Act, 2012.

In addition, the special accounts statements present fairly, the special accounts transactions and the closing balance has been reconciled with book balances.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Northern Collector Phase 1-Additional Rehabilitation and Development of the Network Program Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Delay in Release of Counterpart Funding

As disclosed under project information 1.7 on the funding summary, the project was to be implemented within a duration of six (6) years from January, 2014 to December,

Report of the Auditor-General on Northern Collector Phase 1-Additional Rehabilitation and Development of the Network (Credit Number Credit No. CKE 1074)-for the year ended 30 June, 2021-Athi Water Works Development Agency

2021 with total funding of Euros 114.16 million and Kenya shillings 12.834 billion comprising of Loans from Agence Francaise Development and Counterpart Funding from the Government of Kenya respectively. However, disbursement of the counterpart funding has lagged behind with Kshs.7,957.60 million, or 56.03 % having been received as at 30 June, 2021, leaving a balance of Kshs.4,876.40 billion or 43.97 % of the commitment, with less than 6 months remaining to end of project duration. As a result of the delay, the project is unlikely to fully achieve the intended objectives for the public.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,103,000 and Kshs.639,710,000 respectively, resulting in underfunding of Kshs.463,290,000 or 42 % of the budget.

Similarly, the project spent Kshs.869,100,000 against the budgeted amount of Kshs.1,100,000.00 resulting in under expenditure of Kshs.230,900,000 representing 21% of the estimated expenditure. The underfunding and under expenditure may affect the planned activities and impact negatively on service delivery to the public.

3. Delay in Disbursement of Funds for the Project

According to the subsidiary Loan Agreement dated 22 October, 2014, Athi Water Works Development Agency was to receive a total of Euros 114.16 Million. The Board undertook that all funds disbursed shall be fully used at the latest on 31 March, 2020. This has not been met. However, the drawdown period was later extended to 31 January, 2022.

Other Information

The Program Management is responsible for the other information, which comprises Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Corporate Social Responsibility Statement/Sustainability Reporting and Statement of Project Management Responsibilities.

The other information does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that,

nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Delay in Completion of Projects

1.1 Distribution Component

The financial statements for the years ended 30 June, 2021 and as at 30 June, 2020 indicated that works for the construction of the 55.2 Km Ndakaini- Kigoro- Gigiri transmission pipeline was about 36 % completion level. Although there is progress of works including laying of the additional 18.1 km of pipes, the slow progress may affect the completion of the project within the revised timelines.

The project end date has already been revised and extended for 3 consecutive years from the initial project end date of 31 December, 2018.

With less than three (3) months to the revised project end date of 31 December, 2021 completion of the project within the set timelines may not be achieved. No evidence had been provided indicating that the Implementing Agency had informed the lender of any decision or event which might affect the completion of the project within the extended contract period..

Such extension adversely affects the repayment of the loan as more interests will be accrued. This has also affected the production component as there are costs to the component that is 98% complete. And the remaining 2% for the project testing and commissioning.

1.2 Ngethu -Gigiri Treated Water Pipeline.

A site verification visit in October, 2021 showed slow progress of the pipeline and other associated works for the Thika Dam – Kigoro – Ngethu -Gigiri Treated Water Pipeline. The overall progress as at 30 June, 2021 was 34% compared with eighty eight (88) months period or 149% of the contract period which lapsed in April, 2019. It is unlikely that the revised deadline of 30 September, 2022 will be met given the current slow pace of works.

No evidence was provided on measures being taken to avoid further delays in implementation of the works.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Financing Agreement Number CKE-1074 dated 22 October, 2014 between the Agence Francaise Development (AFD) and the Republic of Kenya for Northern Collector Phase 1 and Additional Rehabilitation and Development of the Network Project, I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements agree with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the 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 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

Report of the Auditor-General on Northern Collector Phase I-Additional Rehabilitation and Development of the Network (Credit Number Credit No. CKE 1074)-for the year ended 30 June, 2021-Athi Water Works Development Agency

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 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 Project'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 Project 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 Project 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

29 November, 2021

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

6 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

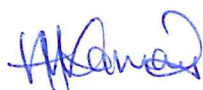
	Note	FY 2020/2021			FY 2019/2020			Cumulative to-date
		Receipts and payments controlled by the Entity (Kshs)	Payments made by Third Parties (Kshs)	Total (Kshs)	Receipts and payments controlled by the Entity (Kshs)	Payments made by Third Parties (Kshs)	Total (Kshs)	
RECEIPTS								
Transfer from Government Entities	11.1	-	-	-	-	-	-	
Proceeds from Domestic and Foreign Grants	11.2	-	-	-	-	-	-	
Loan from External Development Partners	11.3	-	589,563,079	589,563,079	241,300,180	636,705,207	878,005,387	6,970,930,088
Miscellaneous Receipts	11.4	3,009,113		3,009,113	21,817,137		21,817,137	55,542,591
TOTAL RECEIPTS		3,009,113	589,563,079	592,572,192	263,117,317	636,705,207	899,822,524	7,026,472,679
				-			-	
PAYMENTS				-			-	
Compensation of Employees	11.5	-	-	-	-	-	-	-
Purchase of Goods and Services	11.6	-	-	-	-	-	-	91,248,378
Social Security benefits	11.7	-	-	-	-	-	-	-
Acquisition of Non-Financial Assets	11.8	165,736,761	589,563,079	755,299,840	87,606,977	636,705,207	724,312,184	6,887,488,113
Transfer to Other Government Entities	11.9			-	-	-	-	-
Other Grants and Transfers and Payments	11.1	462,745		462,745	189,686		189,686	652,431
TOTAL PAYMENTS		166,199,506	589,563,079	755,762,585	87,796,663	636,705,207	724,501,870	6,979,388,922
SURPLUS/DEFICIT		163,190,393	-	163,190,393	175,320,654	-	175,320,654	47,083,757

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Chief Executive Officer
Name: Eng. Michael M. Thuita

Date: 28/09/2021



Project Coordinator
Name: Eng. Joseph Kamau

Date: 28/09/2021



Manager, Finance and Accounts:
Name: CPA, Dr. Christine Mawia Julius
ICPAK Member Number: 6458

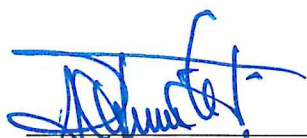
Date: 28/09/2021

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

7 STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

		2020/2021	2019/2020
FINANCIAL ASSETS	Note	Kshs	Kshs
Cash and Cash equivalents			
Bank balances	11.11. A	47,083,757	210,274,150
cash balances	11.11. B	-	-
Cash Equivalents (Short-term deposits)	11.11. C	-	-
Total Cash and Cash Equivalents		47,083,757	210,274,150
Account receivables -Imprest and Advances	11.12	-	-
TOTAL FINANCIAL ASSETS		47,083,757	210,274,150
FINANCIAL LIABILITIES			
Payables-Deposit and Retentions	11.13	-	-
NET ASSETS		47,083,757	210,274,150
REPRESENTED BY:			
Fund balance b/fwd.	11.14	210,274,150	34,953,496
Prior Year Adjustments	11.15	-	-
Surplus/Deficit for the period		-163,190,393	175,320,654
NET FINANCIAL POSITION		47,083,757	210,274,150

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28th September 2021 and signed by:



Chief Executive Officer
Name: Eng. Michael M. Thuita

Date: 28/09/2021



Project Coordinator
Name: Eng. Joseph Kamau

Date: 28/09/2021



Manager, Finance and Accounts:
Name: CPA, Dr. Christine Mawia Julius
ICPAK Member Number: 6458

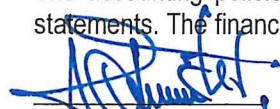
Date: 28/09/2021

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

8 STATEMENT OF CASHFLOW FOR THE FINANCIAL YEAR ENDED JUNE 30, 2021

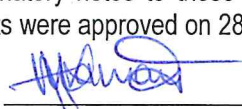
		2020/2021 (Kshs)	2019/2020 (Kshs)
Receipts from operating activities			
Transfer from Government entities	11.1	-	-
Proceeds from domestic and foreign grants	11.2	-	-
Miscellaneous receipts	11.4	3,009,113	21,817,137
Subtotal		3,009,113	21,817,137
Payments for operating activities			
Compensation of employees	11.5	-	-
Purchase of Goods and Services	11.6	462,745	189,686
Social security benefits	11.7	-	-
Transfers to other government entities	11.9	-	-
Other grants and transfers	11.1	-	-
Adjustment during the year			
Decrease/(Increase) in Accounts Receivable: Outstanding Imprest	11.15	-	-
Decrease/(Increase) in Accounts Payable: (Deposit and retention)	11.16	-	-
Prior Year Adjustments	11.17	-	-
Subtotal		462,745	189,686
Net cash flow from operating activities		2,546,368	21,627,451
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	11.8	- 755,299,840	- 724,312,184
Net cash flows from Investing Activities		- 755,299,840	- 724,312,184
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	11.3	589,563,079	878,005,387
Net cash flow from financing activities		589,563,079	878,005,387
NET INCREASE IN CASH AND CASH EQUIVALENT		- 163,190,393	175,320,654
Cash and cash equivalent at BEGINNING of the year	11.11	210,274,150	34,953,496
Cash and cash equivalent at END of the year		47,083,757	210,274,150

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28th September 2021 and signed by:



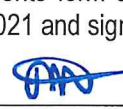
Chief Executive Officer
Name: Eng. Michael M. Thuita

Date: 28/09/2021



Project Coordinator
Name: Eng. Joseph Kamau

Date: 28/09/2021



Manager, Finance and Accounts:
Name: CPA, Dr. Christine Mawia Julius
ICPAK Member Number: 6458

Date: 28/09/2021

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
 Reports and Financial Statements
 For the financial year ended June 30, 2021

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget in Millions	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% of Variance
	a	b	c=a+b	d	e=d-c	f=e/c %
Receipts						
Proceeds from borrowings	800.00	300.00	1,100.00	589.56	(510.44)	-46%
Miscellaneous receipts	3.00	-	3.00	3.01	0.01	0%
Total Receipts	803.00	300.00	1,103.00	592.57	(510.43)	-46%
Payments						
Goods and Services	20.00	-	20.00	19.60	(0.40)	-2%
Works	780.00	300.00	1,080.00	849.50	(230.50)	-21%
Total Payments	800.00	300.00	1,100.00	869.10	-230.90	-21%



Chief Executive Officer
 Name: Eng. Michael M. Thuita

Date: 28/09/2021



Project Coordinator
 Name: Eng. Joseph Kamau

Date: 28/09/2021



Manager, Finance and Accounts:
 Name: CPA, Dr. Christine Mawia Julius
 ICPAK Member Number: 6458
 Date: 28/09/2021

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.1.1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

10.1.2 Reporting entity

The financial statements are for the Northern Collector Phase 1: Water Supply Extension Project and additional Rehabilitation and Development of the Network under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

10.1.3 Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

10.4 Significant Accounting Policies

a) Recognition of receipts

The Project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Government.

i) Transfers from the Exchequer

Transfer from Exchequer is be recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

iii) Other Receipts

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

These includes Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documentations. These are recognized in the financial statements the time associated cash is received.

b) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

d) Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

d) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

e) Recognition of payments

The Project recognises all payments when the event occurs, and the related cash has actually been paid out by the Project.

i) Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. If not paid for during the period where goods/services are consumed, they shall be disclosed as pending bills.

iii) Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

iv) Repayment of borrowing (principal amount)

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

g) 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.

Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits

h) Accounts receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

i) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

j) 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.

k) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Project at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

l) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

m) Third party payments

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third party's column in the statement of receipts and payments.

During the year Kshs 636,705,206.60 being loan disbursements were received in form of direct payments from third parties.

n) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

o) Comparative figures

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

p) Subsequent events

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

q) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

11. NOTES TO THE FINANCIAL STATEMENTS

11.1 RECEIPTS FROM GOVERNMENT OF KENYA

The project is fully financed by the donor. The government provide funds for V.A.T and land compensation.

11.2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June there were no grants from donors. All the proceeds for the project are financed by loan with no grant factored.

11.3 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2021, we received funding from development partners in form of loans negotiated by National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
					FY 20/21	FY 19/20
Loans Received from Bilateral Donors (Foreign Governments)			Kshs "000"	Kshs "000"	Kshs "000"	Kshs "000"
Insert name of foreign Government	N/A	N/A	N/A	N/A		
Loans Received from Multilateral Donors- (International Organizations)						
AFD	2015/2016	5,880.00	330,000.00	316,830.00		
AFD	2016/2017	20,900.00	-	2,300,224.00		
AFD	2017/2018	11,168.00	366,600.00	862,414.00		
AFD	2018/2019	11,807.00	-	1,327,294.00		
AFD	2019/2020	7,810.00	241,300.00	636,705.00		636,705.00
AFD	2020/2021	5,244.48	-	589,563.00	589,563.00	
Total		62,809.48	937,900.00	6,033,030.00	589,563.00	636,705.00

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

11.4 MISCELLANEOUS RECEIPTS

	FY 2020/2021		FY 2019//20		Cumulative to-date
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Receipts controlled by the entity in Cash	Receipts controlled by third parties	
			Kshs	Kshs	Kshs
Administrative fees and charges	N/A	N/A	N/A	N/A	N/A
Other receipts Interest on Bank Deposits	3,009,113		21,817,136	N/A	55,542,589
	3,009,113	N/A	21,817,136	N/A	55,542,589

11.5 COMPENSATION OF EMPLOYEES

There was no expenditure on compensation of employees because all project staff are AWWDA employees.

11.6 PURCHASE OF GOODS AND SERVICES

These relates to Bank Charges incurred during the year.

11.7 SOCIAL SECURITY BENEFITS

All social security benefits for employees are catered for by Athi Water Works Development Agency

11.8 ACQUISITION OF NON-FINANCIAL ASSETS

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	2019/2020	Cumulative to date
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of civil works	146,126,407	589,563,079	735,689,486	1,430,263,130	5,954,558,830
Consultancies	19,610,354	-	19,610,354	119,272,165	420,946,901
Total	165,736,761	589,563,079	755,299,840	1,549,535,295	6,375,505,731

11.9 TRANSFERS TO OTHER GOVERNMENT ENTITIES

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

During the 12 months to 30 June 2021, no transfer of funds to other reporting government entities

11.10 OTHER GRANTS AND TRANSFERS AND PAYMENTS

During the 12 months to 30 June 2021 other transfer of grants and payments was Ksh 462,745 which relates to bank charges for the Project Account.

11.11 CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2020/21	2019/2021
	Kshs	Kshs
Bank accounts (Note 8.13A)	47,083,757	210,274,150
Cash in hand (Note 8. 13B)		Nil
Cash equivalents (short-term deposits) (Note 8.13C)		Nil
Total	47,083,757	210,274,150

11.11 A Bank Accounts

The Project has got one local currency Bank Account as detailed below:

Local Currency Account	2020/21	2019/2021
	Kshs	Kshs
Kenya Commercial Bank- A/C No 1156760372	47,083,757	210,274,150

Special Deposit Accounts

There were no the Project's Special Deposit Account(s) as at 30th June 2021

11.11 B Cash in Hand

The Project did not have any cash in hand

11.11 C Cash equivalents (short-term deposits)

The Project did not have any short-term deposits

11.12 OUTSTANDING IMPRESTS AND ADVANCES

The Project did not have any outstanding imprest and advances

11.13 PAYABLES

There were no payables

11.14 FUND BALANCE BROUGHT FORWARD

	FY 2020/2021	FY 2019/2020
		Kshs
Bank accounts	210,274,150	34,953,496
Cash in Hand		
Cash equivalents (short term deposits)		
Outstanding Imprest		
Total	210,274,150	34,953,496

11.15 Prior year adjustment

There were no prior year adjustment

11.16 CHANGES IN RECEIVABLE

There were no Changes in Account Receivable

11.17 CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

There were no changes in Account Payable

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

11.14 FUND BALANCE BROUGHT FORWARD

	FY 2019/20	FY 2018/19
		Kshs
Bank accounts	47,083,757	210,274,150
Cash in Hand		
Cash equivalents (short term deposits)		
Outstanding Imprest		
Total	47,083,757	210,274,150

11.15 PRIOR YEAR ADJUSTMENT

There were no Prior year adjustments

11.16 CHANGES IN RECEIVABLE

There were no Changes in Account Receivable

11.17 CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

There were no changes in Account Payable

12. OTHER IMPORTANT DISCLOSURES

12.1 PENDING ACCOUNTS PAYABLE

There were no pending Accounts payables

12.2 PENDING STAFF PAYABLES (See Annex 2B)

There were no pending staff payables

12.3 OTHER PENDING PAYABLES (See Annex 2C)

There were no pending bills by 30th June 2021

12.4 External Assistance

a) External assistance relating loans and grants

N/A

b) Undrawn external assistance

N/A

c. Classes of providers of external assistance

N/A

**Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development
of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021**

OTHER IMPORTANT DISCLOSURES

d. Non-monetary external assistance

N/A

e Purpose and use of external assistance

N/A

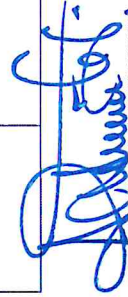
f. External Assistance paid by Third Parties on behalf of the Entity by Source

N/A

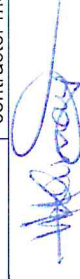
13. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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)
Other Matter 1. Budget Control and performance	The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs. 1,721,800,000 and Kshs. 899,800,000 or 48% of the budget. Similarly, the project spent Kshs. 746,200,000 against the budgeted amount of Kshs. 1,721,800,000 resulting in under expenditure of Kshs. 975,600,000 representing 57% of the estimated expenditure. Management has attributed the underfunding and under expenditure to slow progress of works as a result of challenges in acquiring wayleaves for the construction of raw and treated water pipelines.	The resettlement action plan was prioritised during the year and the agency received funds for the compensation. NLC are at an advanced stage and it is expected that the project will greatly improve on budgetary absorption during 2021/2022FY	CEO AWWDA	Partially Resolved	June 2022
2. Delay in completion of Projects	There was considerable delay in completion of construction of Raw and Treated Water Mains and Construction of Sanitation Blocks in the informal settlements.	The resettlement action plan was prioritised during the year and the agency received funds for the compensation. NLC are at an advanced stage and it is expected that good progress will be achieved during 2021/2022FY. All the sites for construction of the Ablution blocks have now been identified and the contractor mobilized to site.	CEO AWWDA	Partially Resolved	June 2022


Chief Executive Officer
Name: Eng. Michael M. Thuita

Date: 28/09/2021


Project Coordinator
Name: Eng. Joseph Kamau

Date: 28/09/2021



Manager, Finance and Accounts:
Name: CPA, Dr. Christine Mawia Julius
ICPAK Member Number: 6458
Date: 28/09/2021

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget in Millions a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Variance e=d-c	% of Variance f=e/c %	Comments
Receipts							
Proceeds from borrowings	800.00	300.00	1,100.00	589.56	(510.44)	-46%	Project implementation was affected by Land acquisition challenges on the treated water section from Ngethu to Gigiri
Miscellaneous receipts	3.00	-	3.00	3.01	0.01	0%	
Total Receipts	803.00	300.00	1,103.00	592.57	(510.43)	-46%	
Payments							
Goods and Services	20.00	-	20.00	19.60	(0.40)	-2%	
Works	780.00	300.00	1,080.00	849.50	(230.50)	-21%	
Total Payments	800.00	300.00	1,100.00	869.10	-230.90	-21%	

Northern Collector Phase 1: Water Supply Extension Project and Additional Rehabilitation and Development of the Network
 Reports and Financial Statements
 For the financial year ended June 30, 2021

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset Class	Opening Cost 2019/2020 (Kshs)	Purchase /Additions in the year 2020/2021 (Kshs)	Disposal in the year 2020/2021 (Kshs)	Transfers in/(out) 2020/2021 (Kshs)	Closing Cost 20120/21(Kshs)
	a	b	c	d	e=a+b-①+(-)d
Work in Progress	6,132,188,274	755,299,840	-	-	6,887,488,114

14. APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations
- iii. Cash Count Certificate
- iv. Special Deposit Account(s) reconciliation statement(s)

