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REPORT

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OF

THE AUDITOR-GENERAL

ON

TABLED BY:	Majority whip
CLERK-AT THE-TABLE:	Finlay Munira

WATER AND SANITATION DEVELOPMENT PROJECT (IDA CREDIT NO.6029/6030-KE)

FOR THE YEAR ENDED
30 JUNE, 2021

MINISTRY OF WATER, SANITATION
AND IRRIGATION



Project Name: Water and Sanitation Development Project

Implementing Entity: Ministry of Water Sanitation and irrigation

PROJECT GRANT/CREDIT NUMBER 6030-KE

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)**

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and Registered Office

Name: The project's official name is: Water and Sanitation Development Project (WSDP),

Objective: The key objective of the project is to improve water supply and sanitation services in selected coastal and north-eastern regions in Kenya

Address: The project headquarters offices are:
MAJI House
Nairobi,
Nairobi County, Kenya.

The address of its registered office is:

Ministry of Water, Sanitation and Irrigation
P.O. Box 49720,
Nairobi.

Contacts: The following are the project contacts

Telephone: (254) 716103
E-mail: ps@water.go.ke
Website: www.water.go.ke

1.2 Project Information

Project Start Date:	The project start date is 8 th March,2018
Project End Date:	The project end date is 31.10.2022
Project Manager:	The project Coordinator is Wilfred Amwata
Project Sponsor:	The project sponsor is The World Bank

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

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	P156634
Strategic goals of the project	The strategic goal of the project is to contribute to the Government vision 2030 and its medium term plan (M-TP2) which focus on promoting inclusive economic growth and achieving the United Nations Sustainable Development Goals (SDGs)
Achievement of strategic goals	The project will invest in water supply and sanitation infrastructure in the selected counties, By strengthening the institutional capacity of all the implementing units. The goals will be achieved by supporting Wajir and Garrisa water companies to increase water supply and sanitation services.
Other important background information of the project	The WSDP water and sanitation projects are being constructed in selected Counties and the counties are responsible for the supervision of the construction works.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) The project is supporting the implementation of Water and Sanitation projects in the Coast through Coast Water Works Development Agency (CWWDA).
Project duration	The project started in March 2018 and is expected to run until 31 st October, 2022.

1.4 Bankers

The following are the bankers for the current financial year:

- i) Special purpose accounts at central bank
 - a) Designated Account B (DA-A)
Central Bank of Kenya
ACCOUNT Number; 100394177
Nairobi

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- b) Designated account A(DA-B)
Central Bank of Kenya
Account number; 1000394077
Nairobi
- c) Water Sanitation Project Account
Central Bank of Kenya
ACCOUNT Number; 1000457201
Nairobi

ii) Commercial Banks

- a). Coast Water Works Development Agency
Kenya Commercial Bank
Account Number 1240218648
Mombasa Branch
- a) Water Sector Trust Fund
Equity Bank
Account Number; 0180280425687
Upper Hill Branch
- b) Northern Water Works Development Agency
Kenya Commercial Bank
Account Number; 1283235579
Garissa Branch
- c) Water Services Regulation Board
National Bank
Account Number; 01071032110300
Upper Hill Branch
- d) KWALE Water and sewerage company
Kenya Commercial BANK
Account Number; 1240284225
Kwale Branch
- e) KILIFI Water and Sewerage Company
Kenya Commercial BANK
Account Number; 1239146469
Kwale Branch
- f) Malindi Water and Sewerage Company
Kenya Commercial Bank
Account Number 1236141776

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Malindi Branch

- g) Taita Taveta Water and Sewerage Company
Kenya Commercial BANK
Account Number 1242765387
Voi Branch

- h) Mombasa Water and Sewerage Company
Equity Bank
Account Number: 1560276782381
Moi Avenue Branch, Mombasa

- i) WAJIR Water and Sewerage Company
Equiy BANK
Account Number: 1030278635680
Wajir Branch

- j) Garissa Water and Sewerage Company
Equity Bank
Account Number; 0580279720179
Garrissa Branch

1.5 Auditors

The project is audited by the;

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 001000

NAIROBI, KENYA

1.6 Roles and Responsibilities Roles and Responsibilities

The team is composed of the project coordinator, accountant, chain supply officer, M&E support person and supported by administrative staff.

Names	Title designation	Key qualification	Responsibilities
Joseph W, Irungu.	Principal Secretary	Executive Master in Business Administration	Accounting Officer

Water and Sanitation Development Project
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Wilfred Amwata	Project Coordinator	BSC Civil Engineering	Coordinate implementation of approved project activities.
David Thiongo	M& E Safeguard support officer	Higher Diploma in Water Engineering	Support M& E , ESMF and RPF coordination.
Virginia W. Waweru	Accountant	B.Com and CPA(K)	Processing of payments and preparing financial reports.
Denis Ouko	Procurement and logistic officer.	Diploma in supply chain management.	Support procurement and logistic.

1.7 Funding Summary

The Project is for duration of 5 years from 2017 to 2022 with an approved budget of USD 330 million (donor currency) equivalents to KShs 33,000,000,000 as highlighted in the table below:

Below is the funding summary:

A. Source of funds

Source of funds	Donor Commitment-		Amount received to date – (30 06 2021)		Undrawn balance to date (30 06 2021)	
	<i>Donor currency USD</i>	<i>KShs</i>	<i>Donor currency USD</i>	<i>KShs</i>	<i>Donor currency USD</i>	<i>KShs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
World Bank	300,000,000	30,000,000,000	96,905,327	9,961,867,616	203,094,673	20,038,132,384
(ii) Counterpart Funds						
Government of Kenya	30,000,000	3,000,000,000	778,210	80,000,000	29,221,790	2,920,000,000
Total	330,000,000	33,000,000,000	97,683,537	10,041,867,616	232,316,463	22,958,132,384

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2021)		Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date (30.6.2021)	
	<i>Donor currency USD</i>	<i>Kshs</i>	<i>Kshs</i>	<i>Donor currency USD</i>	<i>Kshs</i>
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
(i) Loan					
World Bank	96,905,327	9,961,867,616	5,179,197,172	46,524,061	4,782,670,444
Loan from World Bank					
ii) Counterpart funds					
Government of Kenya	778,210	80,000,000	69,815,749	99,069	10,184,251
Miscellaneous		39,419,239	836,959		38,582,280
Total	97,683,537	10,081,286,855	5,249,849,880	46,623,130	4,831,436,975

1.8 Summary of Overall Project Performance:

i) Budget performance against actual amounts for current year and for cumulative to-date,

Year	Budget Amount	Disbursed Amount	Absorption Rate%
2018/2019	3,041,000,000	442,000,000	14.5%
2019/2020	1,350,000,000	1,066,788,629	79.0%
2020/21 FY	8,580,000,000	8,457,675,494	99.5%
Cumulative To date	12,971,000,000	9,966,464,123	76.8%

- ii) Physical progress based on outputs, outcomes and impacts since project commencement, The overall project progress is 25%. This includes the financing gap for the completion of Baricho Lot 3 and Replacement of three boreholes in Baricho well field which have been completed. This has resulted in supply of 33,000m³/day providing water supply to 220,000 people. The other works contracts are at different levels of implementation and upon completion will contribute to the project development objective results of improving water and sanitation in the Coastal and North- eastern regions to serve a total of 2,023,700 people.

iii) Value-for-money achievements,

The contract amounts for the procured goods, consultancies and works, are within the acceptable market range and thus there is value for money on the expected results of the procured activities.

iv) Absorption rate for each year since the commencement of the project.

Financial Year	Budget Amount	Disbursed Amount	Absorption Rate
2018/2019	3,041,000,000	442,000,000	14.5%
2019/2020	1,350,000,000	1,066,788,629	79.0%
2020/2021	8,580,000,000	8,457,675,494	99.5%

v) Implementation challenges and recommended way forward.

- ✓ Initial delay in finalization of County Participation Agreements – No action
- ✓ Slow movement of funds to Water Service Provider Project Accounts. –Funds to be transferred within ten (10) days. A notification to be sent to all MDs immediately money is transferred to CRF account.
- ✓ Delay in finalization of Procurement of project consultants – Bank procurement team to guide the IAs on how to address procurement comments. For the supervising consultants, this is on the critical path and urgent guidance required especially for Kwale.
- ✓ COVID -19 pandemic that affected progress of the planned activities- This is a continuing effect, all implementing agencies have devised mechanisms that comply with the issued guidelines that allows progress of the planned activities.
- ✓ High staff turn-over of project team members that has led to slow actualization of the planned activities – IA's to put in place mechanisms to motivate and retain PCU staff for the entire project period.
- ✓ Delay in submitting supporting documents by IAs for expenditure incurred- More FM trainings.

- ✓ Some IA's are not able to install the project goods purchased, as the installation package did not incorporate installation component. To achieve the intended objective of the goods purchased, installation must be expedited. It is therefore proposed that the IA's expedite completion of the procurement process to ensure installation of procured goods finalized.
- ✓ Delay in releasing budget amount allocated for RAP implementation- IA's to engage the County Governments to ensure timely release of RAP budget as delay in this will affect commencement and progress of works contracts.

1.8 Summary of Project Compliance:

The WSDP project had not had any issue of noncompliance with the applicable laws and regulations as per the project financial agreement and the Project Appraisal Document (PAD)

2 STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

Project Development Objective

The main objective of the Project is to improve water supply and sanitation services in select coastal and north eastern regions in the Republic of Kenya and improve the financial performance of water services providers and provide support to COVID-19 emergency interventions. This will be achieved by investing in water supply and sanitation infrastructure in urban centres in coastal counties and two counties in Kenya's arid north-eastern region. The Project will also improve services by strengthening institutional capacity in areas, such as reducing non-revenue water (NRW), improving billing and revenue collection systems, and developing medium-term business plans. In addition, the Project will establish a results-based financing mechanism at the national level to provide incentives to the Water Service Providers (WSPs) to accelerate access to water supply and sanitation services and improve operational and financial performance.

The key development objectives of the project are:

- To contribute to the strategic goal of attaining 80% water coverage by the year 2022. This will be achieved by constructing new, rehabilitating and extension of existing water infrastructure. Non-revenue reductions will also be integrated to ensure minimal losses are achieved.
- Increased sanitation coverage to 40% by 2022. This will be achieved by rehabilitating, extension and construction of new sewerage networks, promote use of decentralized wastewater treatments systems and uptake and upscaling of basic non-sewer sanitation systems.

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
Water and Sanitation Development Project	Improve water supply and sanitation services in select coastal and north eastern regions in the Republic of Kenya	Increased access to water and sanitation services	Number of new people connected to water and sanitation services	Up to the end of 2020/21 financial year 220,000 people were connected to water and sanitation services by completion of Baricho lot 3 Project and Three replacement boreholes
			Volume of Water Produced	Additional 33,000m ³ made available per day
	Improving the financial performance of water services providers and provide support to COVID-19 emergency interventions	Improved performance of water service providers	Number of companies benefited	A total of 77 Water service providers received first batch of the Conditional Liquidity Support Grant.

3 CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Given the importance of water for life and society, it is natural that this is identified as a central issue for Water companies and to manage responsibly through their CSR practices to the benefit of local populations. This is happening in the projects being implemented even though slowly. Indeed, as we have seen that water is becoming increasingly focused as a global and local issue, it has also become more focused as a CSR issue by the water companies. We can conclude that there is a lot of remaining opportunity as the private sector is not engaged at a level proportional to the severity of the issue. This provides an opportunity for companies to do more good for society in an area, which is critical to all their stakeholders resulting in significantly strengthened relations and brand visibility. However, this is not all. Given the criticality of water, there are also huge opportunities for Water companies to engage in a way that adds great value for society, while also being profitable and lowering their risk levels considerably.

With the recent announcement of the new Sustainable Development Goals and the recognition of the role of the private sector in achieving the goals, private sector leaders are aligning their strategies to support the implementation of Goal 6 – Ensure availability and sustainable management of water and sanitation for all. This initiative inspires Water companies and all players in the water sector to work actively with their own footprint, while engaging in transparency and collective action for more sustainable water management.

Water and Sanitation is being developed to increase water and sanitation coverage that will benefit 2million Kenyan's in the target areas that will transform their living standards with reduced cases of waterborne diseases.

1. Sustainability strategy and profile -

To ensure sustainability in operation of the developed water and sanitation infrastructure, Financial and economic analysis have been carried out to determine the financial benefits against operation costs expected during operation of the projects. Energy saving systems have been considered at design stage that will lower the operation costs and to minimize Non-revenue water losses, master meters have been proposed in manageable District Metering Areas coupled with non-revenue water performance contracts.

2. Environmental performance

Implementation of the project activities strictly follows the provisions of the developed Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) and Environmental and social safeguards will be implemented in accordance with the Kenyan legislation. Environmental licenses are delivered by NEMA in due time prior to implementation of works.

3. Employee Welfare

Assessment of the implementing agencies has been done and training needs incorporated in the annual work plans. During implementation, the contractors comply with Occupational Safety and Health Act to ensure safety of the workers.

4. Market place practices

The project strictly follows the banks procurement guidelines coupled with the provisions of Procurement and Disposal Act 2015 that promotes competitive bidding process.

5. Community engagements

The project entails community participation for a more inclusive engagement in order to incorporate their comments during planning and design of the projects. The communities are also engaged in carrying out unskilled labour works that improves their economic wellbeing.

***Water and Sanitation Development Project
Reports and Financial Statements
For the financial year ended June 30, 2021***

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the Water and Sanitation and the Project Coordinator for Water and Sanitation Development Project 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 year (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.

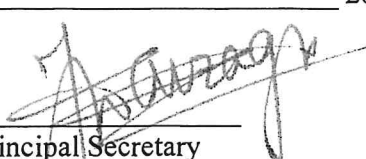
The Principal Secretary for the Water and Sanitation and the Project Coordinator for Water and Sanitation Development Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the Water and Sanitation and the Project Coordinator for Water and Sanitation Development Project 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 year/period ended June 30, 2021, and of the Project's financial position as at that date. The Principal Secretary for Water and Sanitation and the Project Coordinator for Water and Sanitation Development Project 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 Principal Secretary for the Water and Sanitation and the Project Coordinator for Water and Sanitation Development Project 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 financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

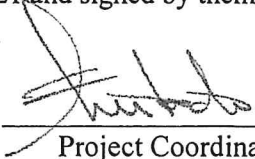
Approval of the Project financial statements

The Project financial statements were approved by the Principal Secretary for the Ministry of Water and Sanitation and Irrigation and the project coordinator for the Water and Sanitation Development project on _____ 2021 and signed by them.

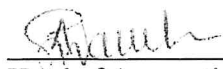

Principal Secretary
Name: Joseph W. Irungu CBS

Date

3/12/2021

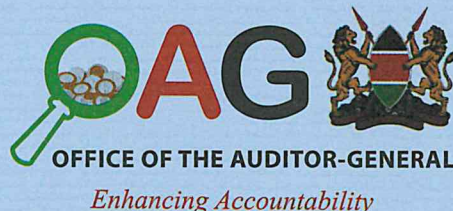

Project Coordinator
Name: Wilfred Amwata

Date


Head of Accounting Unit:
Name: Agnes Waweru
ICPAK NO: 5514
Date

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON WATER AND SANITATION DEVELOPMENT PROJECT (IDA CREDIT NO.6029/6030-KE) FOR THE YEAR ENDED 30 JUNE, 2021 - MINISTRY OF WATER, SANITATION AND IRRIGATION

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 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

Opinion

I have audited the accompanying financial statements of Water and Sanitation Development Project (IDA Credit No.6029/6030-KE) set out on pages 1 to 23, which comprise the statement of financial assets as at 30 June, 2021, and the statement of

Report of the Auditor-General on Water and Sanitation Development Project (IDA Credit No.6029/6030-KE) for the year ended 30 June, 2021 - Ministry of Water, Sanitation and Irrigation

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 Water and Sanitation Development 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 Public Finance Management Act, 2012 and Financing Agreement No. 6029/6030-KE dated 21 June, 2017, between the International Development Association (IDA) and the Republic of Kenya.

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 Water and Sanitation Development Project 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 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

Budget Utilization

The statement of comparative budget and actual amounts reflects actual receipts of Kshs.8,563,804,204 against a budget of Kshs.8,580,000,000 resulting into a receipts shortfall of Kshs.16,195,796 or 0.2% of budgeted receipts. Further, the statement reflects final expenditure budget and actual on comparable basis of Kshs.8,580,000,000 and Kshs.3,934,318,336 resulting to an under-expenditure of Kshs.4,645,681,664 or 54% of the budget.

Management did not provide satisfactory explanation for the under expenditure, which implies that the overall goals and objectives of the Project were not achieved as planned which may have negatively impacted on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Cash Management

During the year under review, the Water and Sanitation Development project reported a cash and cash equivalents balance of Kshs.4,831,436,975. Out of this balance, the Project had a brought forward balance which stood at Kshs.19,744,850 under Equity Bank account No. 01071032110300. The unutilized funds have remained constant over the two years and appears idle balances, which could have been invested or used for service delivery.

Management did not provide satisfactory explanation for the accumulation of the idle cash balances.

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 International Development Association (IDA) Financing Agreement No.6029/6030-KE dated 21 June, 2017, 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

Project 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 Project'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 Project 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, Project 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 Project Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

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

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

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

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

08 December, 2021

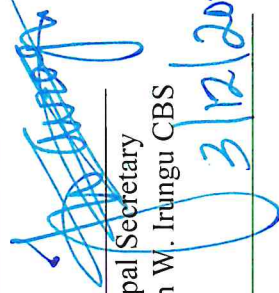
*Water and Sanitation Development Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

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

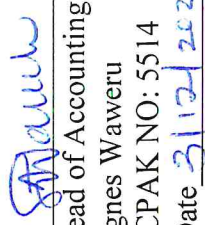
	Note	2020-2021			2019-2020			Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	
RECEIPTS		KShs	KShs		KShs	KShs		KShs
Loans received by the development partners	1	8,190,360,702	254,024,261	8,444,384,965	771,843,026	294,948,603	1,066,791,629	9,961,867,616
Proceeds from foreign grants		-		-	-	-	-	-
Transfer from government entities	2	80,000,000		80,000,000				80,000,000
Miscellaneous receipts	3	39,419,239		39,419,239				39,419,239
TOTAL PAYMENTS		8,309,779,941	254,024,261	8,563,804,204	771,843,026	294,948,603	1,066,791,629	10,081,286,855
PAYMENTS								
Compensation of employees	4	1,257,344		1,257,344				1,257,344
Purchase of goods and services	5	211,301,981		211,301,981	73,021,971		73,021,971	284,377,952
Acquisition of non-financial assets								
	6	1,255,936,808	254,024,261	1,509,961,071	599,013,438	294,948,603	893,962,041	2,752,416,644
Other grants and transfers	7	2,211,797,940	-	2,211,797,940	-	-	-	2,211,797,940
TOTAL PAYMENTS		3,680,294,073	54,024,261	3,934,318,336	672,035,409	294,948,603	966,984,012	5,249,849,880
SURPLUS/DEFICITS		4,629,485,868	-	4,629,485,868	99,807,617	0	99,807,617	4,831,436,975

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

*Water and Sanitation Development Project
Reports and Financial Statements
For the financial year ended June 30, 2021*


Principal Secretary
Joseph W. Irungu CBS
Date 3/12/2021

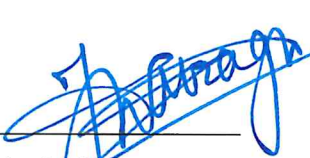

Project Coordinator
Wilfred Amwata
Date _____

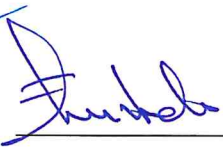

Head of Accounting Unit:
Agnes Waweru
ICPAK NO: 5514
Date 3/12/2021


7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8.	4,831,436,975	201,951,107
Cash balances			
Cash Equivalents (short-term deposits)			
Total Cash and Cash Equivalents		4,831,436,975	201,951,107
Accounts Receivables		-	-
Payables-Deposits and Retentions		-	-
Net Assets		4,831,436,975	201,951,107
REPRESENTED BY			
Fund balance b/fwd	11	201,951,107	102,146,490
Prior year adjustments		-	-
Surplus/(Deficit) for the year		4,629,485,868	99,804,616
NET FINANCIAL POSITION		4,831,436,975	201,951,107

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 3/12/ 2021 and signed by:


Principal Secretary
Joseph W. Irungu CBS
Date 3/12/2021

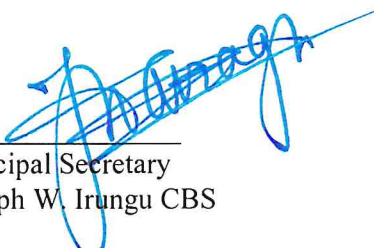

Project Coordinator
Wilfred Amwata
Date



Head of Accounting Unit:
Agnes Waweru
ICPAK NO: 5514
Date


8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2021

		2020-2021	2019-2020
	Note	KShs	KShs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities			
Transfer from government entity(GOK Funding)	2	80,000,000	-
Miscellaneous receipts	3	39,419,239	-
Total Receipts from operating		119,419,239	-
Payments from operating activities			
Compensation of employees	4	(1,257,344)	-
Purchase of goods and services	5	(211,301,981)	73,021,971
Transfers to other government entities			
Other grants and transfers	7	(2,211,797,940)	-
Adjustments during the year			
Net cash flow from operating activities		(2,304,938,026)	(73,021,971)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of non-financial Assets	6	(1,255,936,808)	-599,013,438
Net cash flows from Investing Activities		(1,255,936,808)	599,013,438
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	1	8,190,360,701	771,843,026
Net cash flow from financing activities		8,190,360,701	771,843,026
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,629,485,868	99,804,616
Cash and cash equivalent at BEGINNING of the year		201,951,107	102,146,490
Cash and cash equivalent at END of the year		4,831,436,975	201,951,107

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 3/12/ 2021 and signed by:


Principal Secretary
Joseph W. Irungu CBS


Project Coordinator
Wilfred Amwata

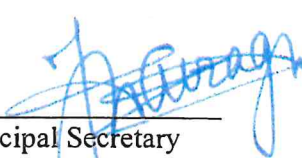

Head of Accounting Unit:
Agnes Waweru
ICPAK NO: 5514

Water and Sanitation Development Project
Reports and Financial Statements
For the financial year ended June 30, 2021

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

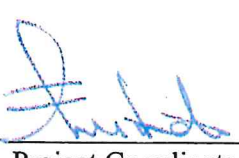
Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c = a + b	d	e = c - d	f = d/c %
Receipts						
Proceeds from borrowings	5,300,000,000.00	3,200,000,000.00	8,500,000,000	8,444,384,965	55,615,035	99%
GOK Funding	80,000,000.00	-	80,000,000.	80,000,000		100%
Miscellaneous Income		-		39,419,239	(39,419,239)	100%
Total Receipts	5,380,000,000.00	3,200,000,000.00	8,580,000,000	8,563,804,204	16,195,796	99.8%
Payments						
Compensation of employees	1,500,000.00		1,500,000	1,257,344	242,656	84%
Purchase of goods and services	235,000,000.00		235,000,000	211,301,981	23,698,019	90%
Acquisition of non-financial assets	1,800,000,000		1,800,000,000	1,509,961,071	290,038,929	84%
Conditional Liquidity Support grant	3,343,500,000	3,200,000,000	6,543,500,000	2,211,797,940	4,331,702,060	34%
Total Payments	5,380,000,000	3,200,000,000	8,580,000,000	3,934,318,336	4,645,681,664	46%

Note: The significant budget utilisation/performance differences in the column are explained in Annex 1 to These financial statements.


Principal Secretary
Joseph W. Irungu CBS

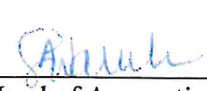
Date

3/12/2021


Project Coordinator
Wilfred Amwata

Date

3/12/2021


Head of Accounting Unit:
Agnes Waweru

ICPAK NO: 5514

Date

3/12/2021

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

10.2 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.

10.3 Reporting entity

The financial statements are for the WSDP Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 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

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. 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.

Significant Accounting Policies (Continued)

c) 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)

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.

Significant Accounting Policies (Continued)

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,

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. **Annex 5** of this financial statement is a register of the contingent liabilities in the year.

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

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 parties' column in the statement of receipts and payments.

During the year Kenya shillings 254,024,263 million 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

1. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

Name of Donor	Date received	Amount received in donor currency	Loans received in cash	Loans received as direct payment*	Grants received in kind	Total amount in KShs	
						2020/21	2019/20
		Euros	KShs	KShs	KShs	KShs	KShs
IDA	30.6.2021	1,685,634	215,852,733			215,852,733	
	20.1.2021	17,000,000	2,268,099,200			2,268,099,200	
	15.3.2021	779,473	101,918,944			101,918,944	
	16.6.2021	793,767	103,552,318			103,552,318	
	22.6.2021	7,101,774	910,543,376			910,543,376	
	16.11.202	9,787,962	1,245,717,860			1,245,717,860	
	30.6.2021	9,523,700	1,218,916,458			1,218,916,458	
	24.6.2021	16,598,888	2,125,759,813			2,125,759,813	
	24.6.2021	748,125		81,038,667		81,038,667	
	24.6.2021	284,155		30,631,811		30,631,811	
	24.6.2021			43,517,218		43,517,218	
	24.6.2021			98,836,567		98,836,567	
	23.03.2020	453,156	52,172,893			52,172,893	
	25.10.2019	466,494	53,335,052			53,335,052	
	13.12.2019	5,000,000	562,693,000			562,693,000	
	19.6.2020	866,079	103,642,081			103,642,081	
	13.9.2019	858,050		93,790,032		93,790,032	
	2012.2019	919,440		104,558,389		104,558,389	
	20.4.2020	844,504		96,600,182		96,600,182	
	Total	74,321,116	8,962,203,728	548,972,866	-	9,511,176,594	

* The direct payment loans represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that the adequate documents and support document is requested from the donors to support this loans

Notes to the financial statements (Continued)

2 RECEIPTS FROM GOVERNMENT OF KENYA

These represents counterpart funding and other receipts from government as follows:

	2020/21	2019/20	
	KShs	KShs	Cumulative to-date (from inception)
<i>Counterpart funding through Ministry of Water Sanitation and Irrigation</i>			
Counterpart funds Quarter 1	20,000,000	-	20,000,000
Counterpart funds Quarter 4	60,000,000	-	60,000,000
Total	<u>80,000,000</u>		<u>80,000,000</u>

3. MISCELLANEOUS RECEIPTS

	2020/21			2019/2020	
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	Total Receipts	Cumulative to-date (from inception)
	KShs	KShs	KShs	KShs	KShs
Other receipts not classified elsewhere	39,419,239		39,419,239	-	-
Total	39,419,239		39,419,239	=	=

During the current financial year, some implementing entities received cash in form of interest on Bank deposit, which was received by Water Services Trust Fund (WSTF) and Mombasa Water And Sewerage Company received thirty million shillings from Mombasa County to fund RAP Exercise.

Water and Sanitation Development Project
Reports and Financial Statements
For the financial year ended June 30, 2021

Notes to the financial statements Continued

4. COMPENSATION OF EMPLOYEES

	2020/2021			2019/2020	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to- date
-	KShs	KShs	KShs	KShs	KShs
Basic wages of temporary employees	1,257,343.88	-	1,257,343.88	-	-
Total	<u>1,257,343.88</u>	=	<u>1,257,343.88</u>	=	=

5. PURCHASE OF GOODS AND SERVICES

	2020/2021			2019/2020	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to- date
Communication and internet	1,717,000		1,717,000	2,088,228	3,805,228
Domestic travel and subsistence	31,226,626		31,226,626	24,844,371	56,070,997
Printing, advertising and information supplies	10,643,318		10,643,318	10,973,359	21,616,677
Training payments	-		-	935,840	935,840
Hospitality supplies and services	7,183,018		7,183,018	1,332,205	8,515,221
Insurance costs	9,802,681		9,802,681	3,053,720	12,856,401
Consultancy services	133,824,505		133,824,505	27,464,330	161,288,835
Other operating payments	527,966		527,966	29,920	577,886
Routine maintenance – vehicles and other transport equipment	2,623,013		2,623,013	-	2,623,013
Stationaries	1,957,025		1,957,025	-	1,957,025
Fuel costs	11,765,290		11,765,290	2,300,000	14,065,290
Postage services	31,540		31,540	-	31,540
Total	<u>211,301,982</u>		<u>211,301,982</u>	<u>73,021,971</u>	<u>284,323,953</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. ACQUISITION OF NON-FINANCIAL ASSETS

	2020/21			2019/20	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to-date
	KShs	KShs	KShs	KShs	KShs
Construction of civil works	798,498,453	254,024,263	1,052,522,716	728,067,425	2,129,080,673
Purchase of vehicles & other transport equipment	439,017,954		439,017,954	147,710,818	586,728,772
Purchase of office equipment	18,420,401		18,420,401	18,183,798	36,604,199
Total	<u>1,255,936,808</u>	254,024,263	<u>1,509,961,071</u>	<u>893,962,041</u>	<u>2,752,413,644</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Other grants and transfers

During the 12 months to 30 June, 2021, we transferred funds to reporting government entities as shown below:

	<i>Payments made by the Entity in Cash</i>	<i>Payments made by third parties</i>	<i>Total Payments</i>	<i>Total Payme nts</i>	<i>Cumulative to- date</i>
	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
Grants for WSPs					
<i>Transfers to other levels of Government (Water Sector Trust Fund)</i>	2,211,797,940			-	2,211,797,940
TOTAL	2,211,797,940			-	2,211,797,940

We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix to the financial statements.

8. CASH AND CASH EQUIVALENTS

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 8.A)	4,831,436,975	201,951,107
Cash in hand(Nota 8.BB)		
Cash and cash equivalent(Short term deposits)		
Total	<u>4,831,436,975</u>	<u>201,951,107</u>

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The project has 12 number of project accounts spread within the project implementation area and a foreign currency designated accounts managed by the National Treasury as listed below;

B. Project Bank Accounts

	2020/21	2019/20
	KShs	KShs
SPECIAL PURPOSE Deposit Accounts At Central Bank OF Kenya		
Designated Account DA-A ,A/C No. ; 1000394077		
Designated Account DA-B, 1000394177		
Central Bank of Kenya [A/c No.....(Mo WSI) A/C No.1000457201	2,198,497,632	22,031,467
KWALE COUNTY ,KCB BANK (A/C No. 1240284225)	186,503,544	57,023
CWWDA , KCB BANK AC.NO. 1240218648	167,080,353	104,311,700
MOMBASA COUNTY ,EQUITY BANK A/C No.01560276782381	373,801,176	16,627,393
WSTF , EQUITY BANK A/C NO. 0180280425687	971,085,818	-
NWWDA ,KCB BANK A/C NO.1283235579	49,331,614	-
WASREB EQUITY A/C NO. 01071032110300	19,744,850	19,744,850
KILIFI COUNTY ,KCB BANK A/C NO.1239146469/MALINDI KCB Bank A/C No. 1236141776	381,790,777	1,308,211
WAJIR COUNTY EQUITY BANK 010300278635680	145,035,656	1,563,660
GARISSA COUNTY, Equity Bank A/C NO. 0580279720179	228,004,435	3,569,793
TAITA TAVETA COUNTY A/C KCB BANK 1242765387	110,561,121	32,721,548
Total local currency balances	4,831,436,976	201,951,107

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Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule, which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

	2020/21	2019/20
	KShs	KShs
(i) A/c Name [A/c No 1000352008]		
Opening balance	114,738,182	420,911,812
Total amount deposited in the account	5,601,048,082	156,335,952
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>5,509,873,652</u>	<u>149,837,678</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>205,912,612</u>	<u>114,738,182</u>
(ii) A/c Name [A/c No 1000394177]		
Opening balance (as per the SDA reconciliation)	661,886,799	562,693,000
Total amount deposited in the account	1,992,591,410	661,886,799
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>1,245,717,859</u>	<u>562,693,000</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>1,408,760,350</u>	<u>661,886,799</u>

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix xx* support these closing balances.

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9. Fund Balance brought forward

	2020/21	2019/20
	KShs	KShs
Bank accounts	201,951,107	102,146,490
Cash and cash equivalent(Short term deposits)		
Total	<u>201,951,107</u>	<u>102,146,490</u>

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12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Budget Absorption</p> <p>The financing agreement was entered on 21/6/2017 between Republic of Kenya and International Development Association to finance improvement of water supply and sanitation services in selected Coastal and Northern Eastern regions in Kenya. The project for a duration of 5 years from June 2017 to October 2022 with an approved budget of USD 330 Million (Approx. 33 Billion Kenya Shillings). One and half years after signing the agreement, the project had only absorbed Kshs 341,298,211 representing 1.34% of the total project funding. In addition, a comparison of the budget and actual amount showed that project utilizes 13.4% of the total budget for the year under review. The low budget absorption could</p>	<p>The first disbursement to counties of Kshs 563m was done on 8th January, 2020. There was delay in submission of Statement of Expenditure with supporting documents for the advance granted and no second disbursement was done to counties in the Financial Year under review.</p>	<p>Wilfred Amwata Project Coordinator</p>	<p>This was resolved. In the Financial year under review two disbursements were made to the counties. Total budget absorption was 99%</p>	Resolved

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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)
	result to non-achievement of the project objectives.				
2	<p>Delays insigning the Subsidiary Agreement with Participating Counties.</p> <p>Article V of the financing agreement on effectiveness required the execution of the subsidiary agreement on behalf of the recipient and the project implementing entity before the 120 days after the signing of the financing agreement. It was noted that the participating agreements were entered into on 14th June, 2019 more than one and half year since deadline. The delay in signing the agreements has negatively impacted the disbursements of the project funds to the implementing entities and consequently delay in the achievement of the project objectives.</p>	<p>There was delay in Signing of Subsidiary Agreement between Government and Coast Water Works Development Agency that was the only condition for project effectiveness (9th March, 218) This was due to the complex nature of implementation of WSDP. For the counties to receive the proceeds of the Credit, a subsidiary loan/grant/Participation Agreement had to be executed. The delay in finalizing the Agreement (s) was due to the change of execution arrangements.</p>	<p>Wilfred Amwata</p> <p>Project Coordinator</p>	Resolved	

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13. ANNEXES

ANNEX1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance(below 90% and over 100%
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from borrowing	8,500,000,000	8,444,384,965	55,015,038	99%	i
Transfers from Government entities	80,000,000	80,000,000		100%	ii
Miscellaneous receipts		39,419,239	(39,419,239)	100%	iii
	8,580,000,000	8,563,804,204	16,195,796	99.8%	
Total Receipts					
Payments					
Compensation of employees	1,500,000	1,257,344	242,656	84%	iv
Purchase of goods and services	235,000,000	211,301,981	23,698,019	90%	v
Acquisition of non-financial assets	1,800,000,000	1,509,961,071	290,338,932	84%	vi
CLSG	6,543,500,000	2,211,797,940	4,331,702,060	34%	vii
Total payments	8,580,000,000	3,934,318,336	4,645,981,667	46%	

Explanations;

- iv The casuals are engaged on demand basis to undertake safeguard preparation and implementation activities. During the year under review, the demand for the casuals was less than planned.
- vi. In acquisition of non- financial assets delay was experienced in delivery of items especially imported ones from countries that were affected by COVID-19. This resulted in less payment on delivered items than planned.
- vii. The variance is due to delay in approval of supplementary budget. WSTF subsidiary Agreement for CLSG was signed in November 2020 and its budget was not factored in the original printed budget estimates and required supplementary budget.

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ANNEX 2 SUMMERY OF THE FIXED ASSET FOR THE YEAR ENDED JUNE 30 2021

Asset class	Opening Cost (KShs) 2022/2021	*Purchases/A dditions in the Year (KShs) 2020/2021	**Disposal s in the Year (KShs) 2020/2021	Transfers in/(out) Kshs 2020/2021	Closing Cost (KShs) 2020/2021
	(a)	(b)	(c)	(d)	(e)= (a)+ (b)- (c)+(-)d
Transport equipment	147,710,818	439,017,954	-	-	586,728,772
Office equipment, furniture and fittings	18,183,798	18,420,401	-	-	36,604,199
Work in Progress(Civil work)	728,067,425	1,052,522,716	-	-	2,129,080,673
Total	893,962,041	1,509,991,071			2,752,416,644

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2021
- iii. Board of Survey Report
- iv. GOK IFMIS comparison Trial Balance



WSDP

JUNE 2021 BANK RECONCILIATION STATEMENT

	SHS	CTS	SHS	CTS
Balance as per Bank Statement			190,334,899	25
LESS: -Payments in Cashbook not in Bank Statement				
Attached list			(1,088,140,457)	(95)
-Receipts in Bank Statement not in Cashbook	Nil		(1,088,140,457)	(95)
ADD: -Payments in Bank statement not in cash book				
-Receipts in cash book not in Bank statement	Nil			
GOK Exchequer 60,000,000.00				
IDA Exchequer 910,543,376.60				
IDA Exchequer 2,125,759,814.50			3,096,303,190	05
Balance as per the cashbook			2,198,497,632	25

Prepared By: Virginia Owusu

Signed: [Signature]

WSDP Accountant

STATEMENT OF , Rundate : 25 NOV 2021

CENTRAL BANK (Runtime : 13:11:00

BANKI KUU YA K Customer number : 145029

P.O.BOX 60000-4 Account number : 1000457201

NAIROBI. Account name : WATER AND SANITATION DEV PRO WSDP-KES

STATEMENT PER Opening Balance : 2,239,683,452.25

No.	Txn. Date	Value Date	Reference No.	Transaction Details	Dr. Amount	Cr. Amount	Balance
1	9-Nov-21	9-Nov-21	FT21313HJJF8	TRFS Payments 40000274		646.05	0 2,239,682,806.20
2	10-Nov-21	10-Nov-21	FT213144VFL7	Withholding Tax Outward RTGS Payment MT : 40000269 MIN OF WATER SANITATION IRRIGATION:CBK CHEMERIL CHEPYEGON /REC/0040000269 STD02112	25,200.00		0 2,239,657,606.20
3	10-Nov-21	10-Nov-21	FT21314NMC87	Outward RTGS Payment MT : 40000272 MIN OF WATER SANITATION IRRIGATION:CBK NELSON KIRUI /REC/0040000272 STD02027	25,200.00		0 2,239,632,406.20
4	10-Nov-21	10-Nov-21	FT21314W0BMM	Outward RTGS Payment MT : 40000268 MIN OF WATER SANITATION IRRIGATION:CBK VIRGINIA WAMBUI WAWERU /REC/0040000268 STD02114	25,200.00		0 2,239,607,206.20
5	10-Nov-21	10-Nov-21	FT21314P6CY7	Outward RTGS Payment MT : 40000267 MIN OF WATER SANITATION IRRIGATION:CBK RAPHAEL MWAURA NGUGI /REC/0040000267 STD02113	25,200.00		0 2,239,582,006.20
6	10-Nov-21	10-Nov-21	FT21314PSMG0	Outward RTGS Payment MT : 40000270 MIN OF WATER SANITATION IRRIGATION:CBK WILFRED OTUNDO AMWATA /REC/0040000270 STD02115	31,500.00		0 2,239,550,506.20
7	10-Nov-21	10-Nov-21	FT21314ZJ5ZL	Outward RTGS Payment MT : 40000273 MIN OF WATER SANITATION IRRIGATION:CBK CMC MOTOR GROUP LTD /REC/0040000273 STD02025	36,825.95		0 2,239,513,680.25
8	10-Nov-21	10-Nov-21	FT21314R4PL4	Outward RTGS Payment MT : 40000278 MIN OF WATER SANITATION IRRIGATION:CBK MICHAEL NYAMUNGA OKECH /REC/0040000278 IMP4326446	50,400.00		0 2,239,463,280.25
9	10-Nov-21	10-Nov-21	FT21314FD51J	Outward RTGS Payment MT : 40000280 MIN OF WATER SANITATION IRRIGATION:CBK BERNARD KOSGEY KIPCHUMBA /REC/0040000280 IMP4326443	50,400.00		0 2,239,412,880.25
10	10-Nov-21	10-Nov-21	FT213147GJJ1	Outward RTGS Payment MT : 40000275 MIN OF WATER SANITATION IRRIGATION:CBK CALVINCE OUMA OTIENO /REC/0040000275 IMP4326447	50,400.00		0 2,239,362,480.25
11	10-Nov-21	10-Nov-21	FT2131410FDS	Outward RTGS Payment MT : 40000276 MIN OF WATER SANITATION IRRIGATION:CBK VIRGINIA WAMBUI WAWERU /REC/0040000276 IMP4326444	50,400.00		0 2,239,312,080.25
12	10-Nov-21	10-Nov-21	FT21314L6HP4	Outward RTGS Payment MT : 40000277 MIN OF WATER SANITATION IRRIGATION:CBK DENIS OCHIENG OUKO /REC/0040000277 IMP4326448	50,400.00		0 2,239,261,680.25
13	10-Nov-21	10-Nov-21	FT21314XR05P	Outward RTGS Payment MT : 40000271 MIN OF WATER SANITATION IRRIGATION:999999 SOPHIA ATIENO OPIYO 40000271 STD02026	56,000.00		0 2,239,205,680.25
14	10-Nov-21	10-Nov-21	FT21314C03L1	Outward RTGS Payment MT : 40000279 MIN OF WATER SANITATION IRRIGATION:999999 LOISE NJOKI KINYANJUI 40000279 IMP4326445	63,000.00		0 2,239,142,680.25
15	15-Nov-21	15-Nov-21	FT213197L9LG	Outward RTGS Payment MT : 40000306 MIN OF WATER SANITATION IRRIGATION:CBK NELSON KIRUI /REC/0040000306	29,400.00		0 2,239,113,280.25

16	15-Nov-21	15-Nov-21 FT21319H52MM	IMP4326449 Outward RTGS Payment MT : 40000291 MIN OF WATER SANITATION IRRIGATION:CBK CAROL KAMENE NZUKI /REC/0040000291 STD01869	40,000.00	0	2,239,073,280.25
17	15-Nov-21	15-Nov-21 FT21319MQKYB	Outward RTGS Payment MT : 40000287 MIN OF WATER SANITATION IRRIGATION:CBK JANE KIRAME WANJUGU /REC/0040000287 IMP4448416	49,700.00	0	2,239,023,580.25
18	15-Nov-21	15-Nov-21 FT21319L01S4	Outward RTGS Payment MT : 40000298 MIN OF WATER SANITATION IRRIGATION:CBK DAVID KENNEDY MUCHIRA /REC/0040000298 IMP4448430	69,700.00	0	2,238,953,880.25
19	15-Nov-21	15-Nov-21 FT21319JCK6D	Outward RTGS Payment MT : 40000299 MIN OF WATER SANITATION IRRIGATION:CBK NELSON KIRUI /REC/0040000299 IMP4448423	69,700.00	0	2,238,884,180.25
20	15-Nov-21	15-Nov-21 FT21319VXQRW	Outward RTGS Payment MT : 40000286 MIN OF WATER SANITATION IRRIGATION:CBK FRANCIS MURIITHI NYAGA /REC/0040000286 IMP4448421	69,700.00	0	2,238,814,480.25
21	15-Nov-21	15-Nov-21 FT21319Y7NDH	Outward RTGS Payment MT : 40000285 MIN OF WATER SANITATION IRRIGATION:CBK MARY KAVATA MUTUKU /REC/0040000285 IMP4448425	69,700.00	0	2,238,744,780.25
22	15-Nov-21	15-Nov-21 FT213198V4XH	Outward RTGS Payment MT : 40000305 MIN OF WATER SANITATION IRRIGATION:CBK KENNETH KINOTI MERO /REC/0040000305 IMP4448422	69,700.00	0	2,238,675,080.25
23	15-Nov-21	15-Nov-21 FT21319QHRNW	Outward RTGS Payment MT : 40000292 MIN OF WATER SANITATION IRRIGATION:CBK DAVID GICOVI NJERU /REC/0040000292 IMP4448426	69,700.00	0	2,238,605,380.25
24	15-Nov-21	15-Nov-21 FT21319PC4JN	Outward RTGS Payment MT : 40000282 MIN OF WATER SANITATION IRRIGATION:CBK FESTUS ONDIMU OROKO /REC/0040000282 IMP4448418	69,700.00	0	2,238,535,680.25
25	15-Nov-21	15-Nov-21 FT21319JHB9T	Outward RTGS Payment MT : 40000297 MIN OF WATER SANITATION IRRIGATION:CBK DENIS OCHIENG OUKO /REC/0040000297 IMP4448410	86,800.00	0	2,238,448,880.25
26	15-Nov-21	15-Nov-21 FT21319W43P6	Outward RTGS Payment MT : 40000288 MIN OF WATER SANITATION IRRIGATION:CBK CAROL KAMENE NZUKI /REC/0040000288 IMP4448407	86,800.00	0	2,238,362,080.25
27	15-Nov-21	15-Nov-21 FT21319K8L4Y	Outward RTGS Payment MT : 40000304 MIN OF WATER SANITATION IRRIGATION:999999 BEATRICE NYAGUTHII MURITHI 40000304 IMP4448413	86,800.00	0	2,238,275,280.25
28	15-Nov-21	15-Nov-21 FT21319H0CBB	Outward RTGS Payment MT : 40000284 MIN OF WATER SANITATION IRRIGATION:CBK RAPHAEL MWALURA NGUGI /REC/0040000284 IMP4448424	106,800.00	0	2,238,168,480.25
29	15-Nov-21	15-Nov-21 FT213197HSXW	Outward RTGS Payment MT : 40000290 MIN OF WATER SANITATION IRRIGATION:CBK WILFRED OTUNDO AMWATA /REC/0040000290 IMP4448402	108,500.00	0	2,238,059,980.25
30	15-Nov-21	15-Nov-21 FT2131988KZW	Outward RTGS Payment MT : 40000283 MIN OF WATER SANITATION IRRIGATION:CBK ANNE WANGUI GICHEHA /REC/0040000283 IMP4448411	108,500.00	0	2,237,951,480.25
31	15-Nov-21	15-Nov-21 FT21319Q75X1	Outward RTGS Payment MT : 40000281	108,500.00	0	2,237,842,980.25

				MIN OF WATER SANITATION IRRIGATION:CBK DANIEL KIHARA MUTUNE /REC/0040000281 IMP4448403				
32	15-Nov-21	15-Nov-21	FT213198D49K	Outward RTGS Payment MT : 40000303	108,500.00	0	2,237,734,480.25	
				MIN OF WATER SANITATION IRRIGATION:CBK DEBORAH AWUOR OLUK /REC/0040000303 IMP4448406				
33	15-Nov-21	15-Nov-21	FT21319LKMV9	Outward RTGS Payment MT : 40000301	108,500.00	0	2,237,625,980.25	
				MIN OF WATER SANITATION IRRIGATION:CBK JOANNE ACHIENG OGOLLA /REC/0040000301 IMP4448405				
34	15-Nov-21	15-Nov-21	FT21319GD33S	Outward RTGS Payment MT : 40000289	108,500.00	0	2,237,517,480.25	
				MIN OF WATER SANITATION IRRIGATION:CBK JACINTA NCOONO /REC/0040000289 IMP4448412				
35	15-Nov-21	15-Nov-21	FT21319HQ5T6	Outward RTGS Payment MT : 40000294	108,500.00	0	2,237,408,980.25	
				MIN OF WATER SANITATION IRRIGATION:CBK ROSE AKINYI ONDENG NYAKWANA /REC/0040000294 IMP4448404				
36	15-Nov-21	15-Nov-21	FT21319W4XKM	Outward RTGS Payment MT : 40000296	130,200.00	0	2,237,278,780.25	
				MIN OF WATER SANITATION IRRIGATION:999999 FIDELIS KIMANTHI KYENGO 40000296 IMP4326450				
37	15-Nov-21	15-Nov-21	FT21319D8JL8	Outward RTGS Payment MT : 40000302	130,200.00	0	2,237,148,580.25	
				MIN OF WATER SANITATION IRRIGATION:CBK JOHN MUGO MUIRURI /REC/0040000302 IMP4448409				
38	15-Nov-21	15-Nov-21	FT21319MN54B	Outward RTGS Payment MT : 40000295	130,200.00	0	2,237,018,380.25	
				MIN OF WATER SANITATION IRRIGATION:CBK MARY WAMAITHA WAINAINA /REC/0040000295 IMP4448408				
39	15-Nov-21	15-Nov-21	FT21319W107Z	Outward RTGS Payment MT : 40000300	130,200.00	0	2,236,888,180.25	
				MIN OF WATER SANITATION IRRIGATION:CBK JAMES MUSEE NDUNA /REC/0040000300 IMP4448401				
40	15-Nov-21	15-Nov-21	FT21319BH9X4	Outward RTGS Payment MT : 40000293	130,200.00	0	2,236,757,980.25	
				MIN OF WATER SANITATION IRRIGATION:CBK GODFREY NDERI NDIANI /REC/0040000293 IMP4448415				
41	15-Nov-21	15-Nov-21	FT213199GHZB	Outward RTGS Payment MT : 40000307	130,200.00	0	2,236,627,780.25	
				MIN OF WATER SANITATION IRRIGATION:999999 ALUOCH OTIENO SAMUEL ALIMIA 40000307 IMP4448432				
42	18-Nov-21	18-Nov-21	FT21322ZCY7W	Outward RTGS Payment MT : 40000320	86,800.00	0	2,236,540,980.25	
				MIN OF WATER SANITATION IRRIGATION:CBK STELLAH WANJIKU J KINYUA /REC/0040000320 IMP4448451				
43	18-Nov-21	18-Nov-21	FT213222RON3	Outward RTGS Payment MT : 40000323	86,800.00	0	2,236,454,180.25	
				MIN OF WATER SANITATION IRRIGATION:999999 CHEMERIL CHEPEYEGON 40000323 IMP4448434/1				
44	18-Nov-21	18-Nov-21	FT21322P5R5C	Outward RTGS Payment MT : 40000309	147,200.00	0	2,236,306,980.25	
				MIN OF WATER SANITATION IRRIGATION:CBK STELLAH WANJIKU J KINYUA /REC/0040000309 IMP4448446				
45	18-Nov-21	18-Nov-21	FT21322PCZ1Q	Outward RTGS Payment MT : 40000310	147,200.00	0	2,236,159,780.25	
				MIN OF WATER SANITATION IRRIGATION:CBK LUCY WANGARE MURIITHI /REC/0040000310 IMP4448448				
46	18-Nov-21	18-Nov-21	FT21322LRG46	Outward RTGS Payment MT : 40000316	147,200.00	0	2,236,012,580.25	
				MIN OF WATER SANITATION IRRIGATION:CBK WESLEY KIPSANG YEGON /REC/0040000316				

47	18-Nov-21	18-Nov-21 FT21322L2WDV	IMP4448444 Outward RTGS Payment MT : 40000315 MIN OF WATER SANITATION IRRIGATION:CBK JUDY WANJA NGUNYU /REC/0040000315 IMP4448443	147,200.00	0	2,235,865,380.25
48	18-Nov-21	18-Nov-21 FT21322NC8PD	Outward RTGS Payment MT : 40000314 MIN OF WATER SANITATION IRRIGATION:CBK VIRGINIA WAMBUI WAWERU /REC/0040000314 IMP4448447	147,200.00	0	2,235,718,180.25
49	18-Nov-21	18-Nov-21 FT21322G9LYX	Outward RTGS Payment MT : 40000312 MIN OF WATER SANITATION IRRIGATION:CBK EVERLINE KWAMBOKA NYAREGA /REC/0040000312 IMP4448445	147,200.00	0	2,235,570,980.25
50	18-Nov-21	18-Nov-21 FT21322T6G7W	Outward RTGS Payment MT : 40000319 MIN OF WATER SANITATION IRRIGATION:CBK WYCLIFFE OCHIENG OJUKWU ADIENG /REC/0040000319 IMP4448440	164,000.00	0	2,235,406,980.25
51	18-Nov-21	18-Nov-21 FT2132249VM3	Outward RTGS Payment MT : 40000317 MIN OF WATER SANITATION IRRIGATION:CBK DANIEL KIHARA MUTUNE /REC/0040000317 IMP4448438	164,000.00	0	2,235,242,980.25
52	18-Nov-21	18-Nov-21 FT21322X10HF	Outward RTGS Payment MT : 40000311 MIN OF WATER SANITATION IRRIGATION:CBK JAMES NYAMWARO AREBA /REC/0040000311 IMP4448439	164,000.00	0	2,235,078,980.25
53	18-Nov-21	18-Nov-21 FT21322XXP2L	Outward RTGS Payment MT : 40000313 MIN OF WATER SANITATION IRRIGATION:CBK JOHN MBUGUA GATHUNGU /REC/0040000313 IMP4448441	164,000.00	0	2,234,914,980.25
54	18-Nov-21	18-Nov-21 FT21322JRZ77	Outward RTGS Payment MT : 40000318 MIN OF WATER SANITATION IRRIGATION:999999 AGNES WANJIRU WAWERU 40000318 IMP4448437	164,000.00	0	2,234,586,980.25
55	18-Nov-21	18-Nov-21 FT21322GD0QC	Outward RTGS Payment MT : 40000308 MIN OF WATER SANITATION IRRIGATION:999999 NASMA JELIMO CHEBOI 40000308 IMP4448442	164,000.00	0	2,234,588,780.25
56	18-Nov-21	18-Nov-21 FT21322JM85F	Outward RTGS Payment MT : 40000322 MIN OF WATER SANITATION IRRIGATION:CBK VIRGINIA WAMBUI WAWERU /REC/0040000322 IMP4448450	998,200.00	0	2,232,622,780.25
57	19-Nov-21	19-Nov-21 FT21323WR400	Outward RTGS Payment MT : 40000321 MIN OF WATER SANITATION IRRIGATION:999999 STELLAH WANJIKU J KINYUA 40000321 IMP4448452	966,000.00	0	2,125,734,200.00
58	25-Nov-21	25-Nov-21 FT213295R1YM	Outward RTGS Payment MT : 40000324 MIN OF WATER SANITATION IRRIGATION:999999 WATER SECTOR TRUST FUND 40000324 STD02495	2,125,734,200.00	0	106,888,580.25
Totals				2,132,794,872.00	0	106,888,580.25
				Closing Balance :		106,888,580.25

REPUBLIC OF KENYA

F. O. 51

Date. 30/6/2021

Report of the Board of Survey on the Cash and Bank Balances of Development as at the close of business on 30th June, 2021

The Board, consisting of - (Names and Official titles)

Christine Muthama - CHAIRLADY

Yuvinalis Ogero - MEMBER

Francisca Leruk - MEMBER

assembled at the office of Ministry of Water, Sanitation and Irrigation (WASDP) at 10.00 am on the Cash Office as the following cash was produced:-

Notes	Sh. NIL
Silver	Sh.
Copper	Sh.
Cheques as per details on reverse	Sh. NIL

It was observed that cheques amounting to Sh. NIL cts had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30 - 6 - 2021

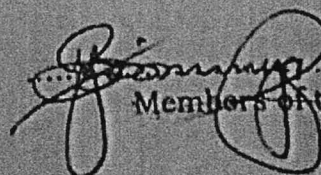
Cash on hand	Sh. Nil
Bank balance	Sh.2,198,497,632.25

The Bank Certificate of Balance showed a sum of Sh. **One Hundred and Ninety Million, Three Hundred Thirty Four Thousand, Eight Hundred and Ninety Nine cts Twenty only.** (Sh. 190,334,899.20) standing to the credit of the account on 30th June, 2021.

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.



Chairman



Members of the Board

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA



Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

July 30th, 2021

CERTIFICATE OF BALANCES

Customer : 145029 MIN OF WATER , SANITATION AND IRRIGATION
Balance Date: 30-Jun-21

Account No	Account Name	Currency	Balance
1000456997	REC-MIN OF WATER SANIT IRRIGATION	KES	345,286,280.45
1000457007	DEV-MIN OF WATER SANIT IRRIGATION	KES	1,438,643,876.40
1000457015	DEP-MIN OF WATER SANIT IRRIGATION	KES	164,556,825.50
1000457023	CBK165-MIN OF WATER SANIT IRRIGAT	KES	0.00
1000457198	EQUALIZATION FUND	KES	71,890,899.25
1000457201	WATER AND SANITATION DEV PRO WSDP	KES	190,334,899.20
1000457217	COASTAL REG WATER SECU CLIMAT RESIE	KES	190,657,841.65

Lawrence Rweria
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

Joyce Nasieku (Ms)
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

WSDP TRIEL BALANCE FINANCIAL YEAR 2020-2021			
Description	DR	CR	
Fund balance b/f		201,951,107	
Forein borrowing		8,190,360,702	
Transfer from the ministry		80,000,000	
Miscellaneous receipts		39,419,239	
Basic wages of temporary employees	1,257,344		
Communication, supplies and services	1,717,000		
Domestic travel and subsistence	31,226,626		
Printing, advertising and - information supplies & services	10,643,318		
Other operating expenses	527,966		
posttage services	31,540		
purchase of stationaries	1,957,025		
Hospitality supplies and services	7,183,018		
Insurance costs	9,802,681		
Consultancy services	133,824,505		
Fuel expense	11,765,290		
Routine maintenance - vehicles and other trans	2,623,013		
Civil work	798,498,452		
Procurement of motor vihicles	439,017,954		
Purchaes of office equipments	18,420,401		
Other grants and transfers(WSTF)	2,211,797,940		
Bank balances	4,831,436,976		
Total	8,511,731,048	8,511,731,048	-



KWALE WATER AND SEWERAGE COMPANY LTD

P.O. Box 18-80403 Tel: 412014155

E-mail: info@kwalewater.co.ke Website: www.kwalewater.co.ke

MANAGING DIRECTOR'S OFFICE

Our Ref: KWAASCO/WSDP PROJECT PCU/VOL1/44

Date: 14th July 2021

The Principal Secretary,
Ministry of Water, Sanitation and Irrigation,
P.O. BOX 49720-00100,
NAIROBI.

Attn: WSDP Project Coordinator

RE: CONFIRMATION OF FUNDS RECEIVED UNDER WATER AND SANITATION DEVELOPMENT PROJECT (WSDP), IDA CREDIT NO. 6030-KE – FINANCIAL YEAR 2020-2021

This is to confirm that in 2020/2021 financial, we received WSDP funds amounting to Kshs282,505,196.65 (Two Hundred and Eighty Two Million Five Hundred and Five Thousand One Hundred and Ninety Six Cents Sixty Five Only) as detailed in the table below.

S/N	Payment Description	Payment Reference	Amount in Kshs.	Date received in Project Account
1.	2 nd Disbursement – November 2020	Kwale County/ROC/0081000	107,214,641.65	26/11/2020
2.	3 rd Disbursement – June, 2021	Kwale County/ROC/0081000002	175,290,555.00	14/07/2021
Total			282,505,196.65	

Thank you for your continued support.

Eric Parmet

Ag. MANAGING DIRECTOR



MOMBASA WATER SUPPLY & SANITATION CO. LTD

MIKINDANI STREET OFF NKRUMAH ROAD, P.O BOX: 1100-00100 MOMBASA KENYA

Tel: +254 726 313 006, +254 735 655 650 Email: info@mombasawater.co.ke

Our ref: MWSSC/MD/S2/VOL II/127

Date: 15th July, 2021

The Principal Secretary,
Ministry of Water, Sanitation and Irrigation,
P.O. BOX 49720-00100,
NAIROBI.

Attn: WSDP Project Coordinator

Dear Sir,

RE: CONFIRMATION OF FUNDS RECEIVED UNDER WATER AND
SANITATION DEVELOPMENT PROJECT (WSDP), IDA CREDIT NO. 6030-KE -
FINANCIAL YEAR 2020-2021

This is to confirm that in 2020/2021 financial, we received WSDP funds amounting to Kshs. 447,137,612.00 (Four hundred and Forty-Seven Million, one hundred and Thirty-Seven Thousand Six hundred and Twelve Shillings only) as detailed in the table below.

S/N	Payment Description	Payment Reference	Amount in Kshs.	Date received in Project Account
1.	2 nd Disbursement - November 2020		228,221,154.00	08/12/2020
2.	3 rd Disbursement - June, 2021		218,916,458.00	13/07/2021
Total			447,137,612.00	

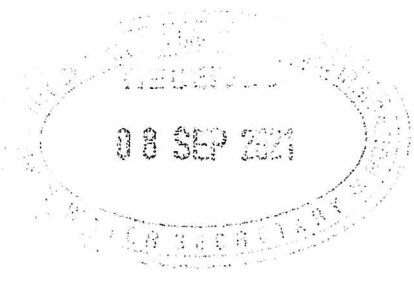
Yours faithfully,

For: MOMBASA WATER SUPPLY & SANITATION CO. LTD

ANTHONY NJARAMBA
MANAGING DIRECTOR

3/028.
882

PS



W.S.
Handle
P3
7/9

NORTHERN WATER WORKS DEVELOPMENT AGENCY

Tel: 046-2103598 www.nwsb.go.ke Maji House
Fax: 046-2103197 info@nwsb.go.ke Kismayu Road
Cell: 0711-559995, 0733-320622 P. O. Box 495-70100, Garissa

Ref: No. NWWDA/WP/122 Vol. I/ (34)

30th August, 2021

The Principal Secretary
Ministry of Water, Sanitation and Irrigation
P.O. BOX 49720-00100
NAIROBI



WSDP/Acts
For your action
P.C/WSDP
13/09/2021

Attn: WSDP Project Coordinator

RE: CONFIRMATION OF FUNDS RECEIVED UNDER WATER AND SANITATION DEVELOPMENT PROJECT (WSDP), IDA CREDIT NO. 6030-KE – FINANCIAL YEAR 2020-2021

This is to confirm that in 2020/2021 financial year, we received WSDP funds amounting to Kshs. 52,700,000.00(in figures) as detailed in the table below.

S/N	Payment Description	Payment Reference	Amount in Kshs.	Date received in Project Account
1.	Direct Transfer		52,700,000.00	6/4/2021
Total			52,700,000.00	

Andrew R. Eysimkele
FOR: CHIEF EXECUTIVE OFFICER



NWSB is ISO 9001:2008 Certified

Po/WB
Has the agency provided SOE?
MAY 08
WS 09
2021



Wajir Water & Sewerage Company Limited (Wajwasco)
P.O. BOX 41 – 70200 Wajir, Kenya.
E-Mail wajirwasco@gmail.com

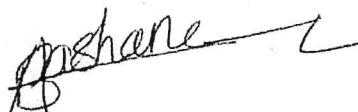
The Principal Secretary
Ministry of Water, Sanitation and Irrigation
P.O. BOX 49720-00100
NAIROBI

Attn: WSDP Project Coordinator

RE: CONFIRMATION OF FUNDS RECEIVED UNDER WATER AND SANITATION DEVELOPMENT PROJECT (WSDP), IDA CREDIT NO. 6030-KE – FINANCIAL YEAR 2020-2021

This is to confirm that in 2020/2021 financial, we received WSDP funds amounting to Kshs Three Hundred & Seven Million two hundred fourteen thousand five hundred twenty-four shillings and sixty-five cents (307,214,524.65/=) as detailed in the table below.

S/N	Payment Description	Payment Reference	Amount in Kshs.	Date received in Project Account
1.	2 nd Disbursement – November 2020	RTGS 6422816	162,214,524.65	27/11/2020
2.	3 rd Disbursement – June, 2021	RTGS5412439S	145,000,000/=	16/7/2021
Total			307,214,524.65/=	


Ali Bashane

Ag. Managing Director
Wajir water & Sewerage Company Limited (Wajwasco)
P.o Box 708-70200
Wajir County
Website:www.wajirwater.co.ke
Email:info@wajirwater.co.ke

Water Sector Trust Fund

Financing the Water Sector

1st Floor, CIC Plaza I, Mara Road, Upper Hill, Nairobi, Kenya
PO Box 49699 Nairobi-00100; Tel: +254 (20) 2720696, 2729017/8
Email: info@waterfund.go.ke; Website: www.waterfund.go.ke

REF : WSTF/CEP/VOL.I/ 203 (417)

14th September, 2021

Principal Secretary,
Ministry of Water, Sanitation and Irrigation,
P.O. Box 49720 - 00100,
NAIROBI.


Attention : WSDP Project Coordinator

RE : CONFIRMATION OF FUNDS RECEIVED UNDER WATER AND SANITATION DEVELOPMENT PROJECT (WSDP), IDA CREDIT NO. 6030-KE - FINANCIAL YEAR 2020-2021

This is to confirm that in 2020/2021 financial, we received WSDP funds amounting to **Kshs. 3,178,642,577** (Three Billion One Hundred and Seventy eight Million Six Hundred and Forty Two Thousand Five Hundred and Seventy Seven Shillings) as detailed in the table below:-

S/N	Payment Description	Payment Reference	Amount in Kshs.	Date received in Project Account
1.	CLSG Grant	N/A	2,268,099,200	11.02.2021
2.	CLSG Grant	N/A	910,543,377	09.07.2021
Total			3,178,642,577	

Yours faithfully,



Ismail Fahmy M. Shaiye
CHIEF EXECUTIVE OFFICER



Ref: CWSB/FIN/38/VOL.45/114

Date: 31st Aug 2021

The Principal Secretary
Ministry of Water & Sanitation and Irrigation,
P.O. Box 49720-00100,
NAIROBI

ATTN: ENG.FRED AMWATA

Dear Sir,

**RE: CONFIRMATION OF RECEIPTS OF FUNDS RECEIVED UNDER WATER AND
SANITATION DEVELOPEMNT PROJECT (WSDP) IDA CREDIT NO.6030KE FINANCIAL
YEAR 2020-2021**

The above subject refers.

Please find attached copy of receipts in respect to WSDP funds received in the financial year 2020-2021 amounting to Kshs. 367,060,246 (Kshs, Three Hundred and Sixty-Seven Million, Sixty Thousand, Two Hundred and Forty-Six). The table below further shows the breakdown and the respective dates when funds were received into project account.

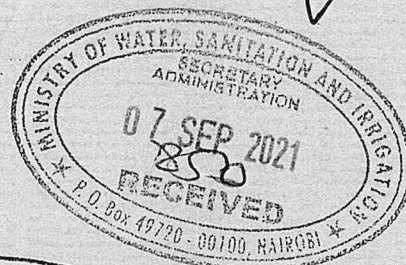
DATE	AMOUNT (KSH)
20.12.2020	91,773,235
23.2.2021	15,000,000
29.4.2021	101,918,944
08.7.2021	103,552,318
09.7.2021	39,815,749
09.7.2021	15,000,000
TOTAL	367,060,246

Yours Faithfully,



Martin Tsuma
Ag.CHIEF EXECUTIVE OFFICER

Encl.



Ref: CWSB/FIN/38/VOL.45/115

Date: 31st Aug 2021

The Principal Secretary
Ministry of Water & Sanitation and Irrigation,
P.O. Box 49720-00100,
NAIROBI

ATTN: ENG. FRED AMWATA

Dear Sir,

RE: CONFIRMATION OF DIRECT PAYMENTS MADE BY THE WORLD BANK ON BEHALF OF COAST WATER WORKS DEVELOPMENT AGENCY UNDER WATER AND SANITATION DEVELOPEMNT PROJECT (WSDP) IDA CREDIT NO.6030KE FINANCIAL YEAR 2020-2021

Pol/MB
For action
May 10/21
WS/10/21
2021

The above subject refers.

Please find below breakdown in respect to Direct Payments made by the world bank on behalf of Coast Water Works Development Agency under WSDP IDA CREDIT NO.6030 in the financial year 2020-2021 amounting to USD.1, 032,278.83(USD, One Million, Thirty-Two Thousand, Two Hundred and Seventy-Eight Cents Eighty-Three Only) and KSH. 142,353,784.99 (One Hundred and Forty-Two Million, Three Hundred and Fifty-Three, Seven Hundred and Eighty-Four Cents Ninety-Nine Only).

WSD/Acts
For your action
13/9/21

DATE PAID	CONTRACTOR NAME	IPC NO.	DIRECT PAYMENTS AMOUNT (USD)	DIRECT PAYMENTS AMOUNT (KSH)
04.9.2020	CHINA HENAN	14	748,124.74	
22.6.2021	TODDY CIVIL ENG	1	284,154.09	
22.6.2021	TODDY CIVIL ENG	1	-	43,517,217.85
01.7.2021	DANAFF KENYA LTD	1		98,836,567.14
			1,032,278.83	142,353,784.99

Attached herewith are copies of the World Bank Payment Advices relating to the direct payments that were done.

Yours Faithfully,



Martin Tsuma

Aq. CHIEF EXECUTIVE OFFICER

Encl.



WSDP

JUNE 2021 BANK RECONCILIATION STATEMENT

	SHS	CTS	SHS	CTS
Balance as per Bank Statement			190,334,899	25
LESS: -Payments in Cashbook not in Bank Statement				
Attached list			(1,088,140,457)	(95)
-Receipts in Bank Statement not in Cashbook	Nil		(1,088,140,457)	(95)
ADD: -Payments in Bank statement not in cash book				
-Receipts in cash book not in Bank statement	Nil			
GOK Exchequer 60,000,000.00				
IDA Exchequer 910,543,376.60				
IDA Exchequer 2,125,759,814.50			3,096,303,190	05
Balance as per the cashbook			2,198,497,632	25

Prepared By: Virginia Owusu

Signed: [Signature]

WSDP Accountant

