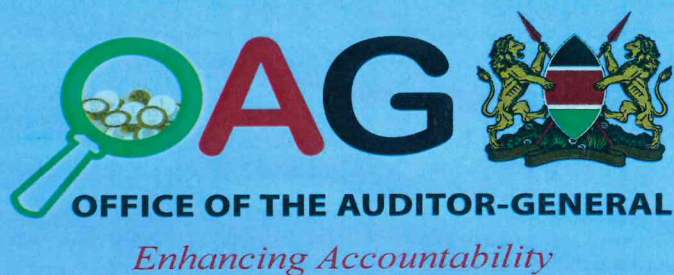


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**COAST WATER WORKS
DEVELOPMENT AGENCY**

**FOR THE YEAR
ENDED 30 JUNE, 2020**



COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2020**

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

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KEY ENTITY INFORMATION AND MANAGEMENT

a) Our identity

Coast Water Works Development Agency (CWWDA) is corporate body established under the Provisions of the Water Act 2002 of the laws of Kenya and it is domiciled in Kenya. When it became operational, under the Water Act 2002, the agency was known as Coast Water Services Board (CWSB) and it has been operating with that name up to 3rd May 2019. Through legal notice Number 27 of 26th April 2019, and with reference to water Act 2016, Cabinet Secretary for water and sanitation established eight entities and named them 'Water Works Development Agencies' among them CWWDA and appointed 3rd May 2019 as the commencement date for this change.

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

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

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

b) Principal Activities

The principal activities of the agency is to ensure efficient, effective and sustainable provision of quality and affordable water services (defined to include sewerage) in its area of jurisdiction - Mombasa County, Kilifi County, Lamu County, Kwale County, Taita Taveta County and Tana River County.

Vision

CWWDA's Vision is *"To be a world class water and sanitation infrastructure development agency"*.

Mission

The Mission is *"To develop quality water and sanitation infrastructure and offer bulk water services for a sustainable economy and social growth."*

Motto

The Coast Water Works Development Agency motto is **"Water for Generations"**

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Core Values

CWWDA's Core values are:

- i. **Teamwork** - To fully subscribe to the principles of teamwork as a key attribute in executing our mandate
- ii. **Integrity** - To uphold a high degree of honesty and integrity in dealing with stakeholders
- iii. **Professionalism** - To offer our services in a professional manner and with expertise
- iv. **Customer focused** - To be committed in exceeding the expectations of our stakeholders through continuous improvement of our services and effective communication with all stakeholders.
- v. **Accountability** - To exercise prudence in use of public resource entrusted to us
- vi. **Transparency** - To always be open to our stakeholders in our actions, decisions and policies.

Key Responsibilities

The key responsibilities of CWWDA include:

- i) Ownership and holding of water and sewerage assets/infrastructure on behalf of the National Government.
- ii) Planning, development and expansion of water and sewerage infrastructure on behalf of the National Government.
- iii) Assisting the County Governments within its jurisdiction, during the transition period, in contracting out water and sewerage services provision to Water Services Providers (WSPs) and in the monitoring of water and sewerage services provision.

Strategic direction.

Strategic Themes

To be able to undertake its mandate effectively, CWWDA has identified the following as the main operational themes:

- i. Human resource
- ii. Infrastructure development and bulk water operations
- iii. Resource mobilization
- iv. Governance and corporate communication

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Strategic Objectives

Based on the identified strategic themes, CWWDA has resolved to focus on the accomplishment of various strategic objectives over a five-year period from June 2018 to June 2023. The strategic objectives reflect the key result areas that will respond to particular sets of strategic theme and challenges facing the agency. The following are the strategic objectives: -

- i. To recruit and retain at least 80% highly qualified staff by 2023
- ii. To increase water production to 90% and water coverage by 80% by 2023
- iii. To improve ICT infrastructure and services from 40% to 80% by 2023
- iv. To improve water coverage from 56% to 80% by 2023
- v. To improve revenue collection from 60% to 90% by 2023
- vi. To reduce operation cost from 18% to 15% by 2023
- vii. To create alternative source of funds by 2023
- viii. To solicit for financial support from GOK through budget allocation by 2023
- ix. To adhere to legal, ethical and effective communication standards by 2023

c) Key Management and other key information.

CWWDA day to day management is under the following key departments and the key management personnel who held office during the financial year ended 30th June, 2020 and who had direct fiduciary responsibility were:

- Chief Executive Officer
- Head of Technical Services
- Head of Corporate Services
- Head of Finance
- Head of Procurement
- Head of Internal audit.

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Mr. Jacob Torutt
2.	Head of Technical Services	Eng. Martin Tsuma
3.	Head of Corporate Services	Ms. Fatma Gakuria
4.	Head of Finance	CPA Stephen Kivuva
5.	Head of Procurement	Mr. Stanslus Jira
6.	Head of Internal audit.	CPA Hamadi Mwazito

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e) Fiduciary Oversight Arrangements

The ultimate oversight authority of CWWDA is exercised by the Board of Directors. To ensure that good corporate governance and that effectiveness is enhanced in this process, the Board of Directors have established three committees:

- (i) Finance and administration Committee
- (ii) Audit, Risk and Governance Committee
- (iii) Technical, Planning and Development Committee

f) Entity Headquarters

Coast Water Works Development Agency
Mikindani Street
Off Nkrumah Road
P.O Box 90417-80100
MOMBASA

g) Entity Contacts

TEL: 041-2315230
FAX: 041-2316471
EMAIL: info@cwsb.go.ke

h) Entity Bankers

KCB Bank
Treasury Square
P.O. Box 90254, 80100
MOMBASA

Co-operative Bank
Digo Road
P.O. Box
MOMBASA

Consolidated Bank of Kenya
Nkrumah Road
P.O Box
MOMBASA

i) Independent Auditors

Auditor General
Anniversary Towers
University Way
P.O. Box 30084-00100 GPO
NAIROBI

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j) Principal Legal Advisor

The Attorney General

State Law Office

Harambee Avenue

P. O. Box 40112

City Square 00200


NAIROBI

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THE BOARD OF DIRECTORS

The following Directors were in office as at 30th June 2020 when the financial year under review.

NAME	POSITION	OPERATIONS
<div>HON. MUSTAFA SALIM IDD</div> 	Chairman up to 25.11.2020	Non-Executive
<div>JILLO ALEX KASSE</div> 	Director	Non-Executive
<div>SIMON MWACHIA</div> 	Director	Non-Executive
<div>AMINA MNYAZI</div> 	Director	Non-Executive

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<p>MWALIMU DIGORE KITAMBI</p> 	Director	Non-Executive
<p>HIDAYA KASSIM MBWANA</p> 	Director	Non-Executive
<p>JACOB TORUTT</p> 	Chief Executive Officer	Executive
<p>PS NATIONAL TREASURY – FRESIA KAMAU</p>	Director	Non-Executive
<p>STATE CORPORATIONS CHRISOLOGUS MAKOKHA</p>	Director	Non-Executive
<p>PS MINISTRY OF WATER AND SANITATION -. DANIEL KIHARA</p>	Director	Non-Executive

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KEY MANAGEMENT TEAM

During the 2019-2020 financial period, the following officers held key management positions

Name of the Staff	Qualifications
 Mr. Jacob Torutt -----CHIEF EXECUTIVE OFFICER	<ul style="list-style-type: none">• MSC- FINANCE• BCOM – Finance & Accounting• CPA-K
 Mr. Martin Tsuma----- TECHNICAL MANAGER	<ul style="list-style-type: none">• MSC- Electrical & Electronics Engineering• Bachelor of Technology (Production Engineering)• Registered Eng.- EBK
 Mr. Stephen Masai ----- FINANCE MANAGER	<ul style="list-style-type: none">• BBA-Finance and Accounting• CPA-K
 Mr. Simon Charoh --- HR&ADMINISTRATION MANAGER	<ul style="list-style-type: none">• Masters of Business Administration (Strategic Management)• Bachelor of Arts (Human Resource Management)• Diploma in Human Resource ManagementRegistration - IHRM
Ms. Mary Okioma – CORPORATION SECRETARY	<ul style="list-style-type: none">• Bachelor of Law• Diploma in Law <p>Practicing Certificate 2020</p>

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	<p>Ms. Fatma Gakuria ----CORPORATE COMMUNICATIONS MANAGER</p>	<ul style="list-style-type: none"> • Masters of Business Administration – Marketing • Bachelor of Education • Diploma in Management Public Relations Option
	<p>Mr. Hamadi Mwazito ----- INTERNAL AUDIT MANAGER</p>	<ul style="list-style-type: none"> • Bachelor of Business Administration (Accounting & Finance) • CPA K

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT BY THE CHAIRMAN

I am delighted to report the performance of CWWDA in the annual reports and Financial Statements for the year ended 30th June, 2020.

Water assets and infrastructure

Under its core mandate of infrastructure development, CWWDA has been recording an upward movement with the water infrastructure under development increasing year by year from the preceding period in the last 5 years.

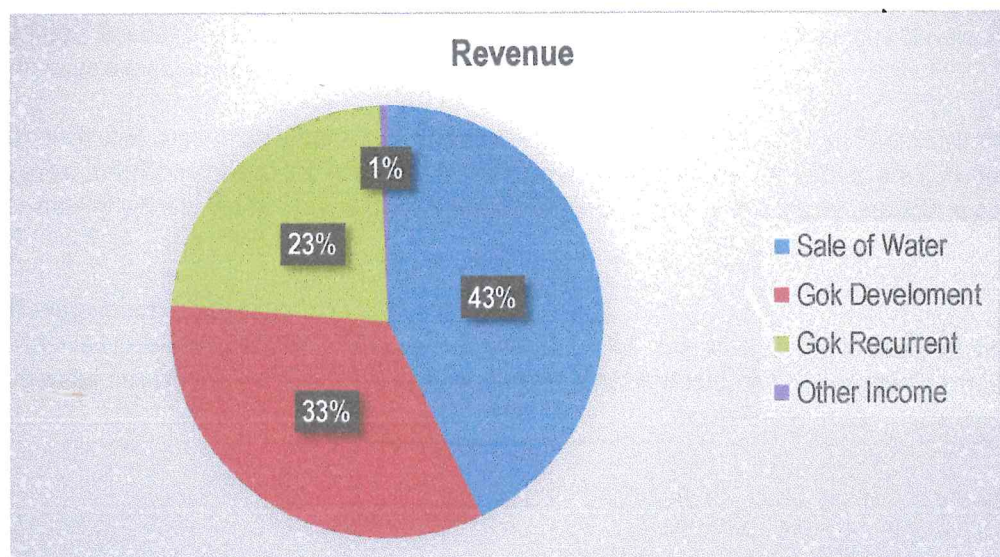
During the year under review the water assets under development increased by 9 % from Ksh 10,747,061,792 in the previous year to Kshs 11,874,255,616 with most projects having a completion date of 2021/2022. As the water and sanitation water projects came to an end in December 2019, CWWDA embarked on more projects under Water and Sanitation Development programs (WSDP). The WSDP is expected to end in the year 2020-2023.

Revenue

The year under review also recorded a slight increase in total revenue billed from Kshs 835,219,773 in 2019-2019 to 849,760,568 in 2019-2020 as indicated by the Table 1 below. This growth has enabled CWWDA to undertake more projects within the period under review.

Table 1 Revenue Streams

Revenue Streams	Kshs.	%
Sale of Water	849,760,568	42.85
Gok Development	662,331,701	33.40
Gok Recurrent	458,799,998	23.14
Other Income	12,187,703	0.61
Total	1,983,079,970	100.00



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Compliance

On compliance the agency complied with all guidelines and laws applicable within its mandate and other applicable laws including deducting and remitting of all statutory deductions as well as preparing financial statements to the relevant agencies. In addition, CWWDA also complied with other guidelines from state agencies and circulars on the same.

Water Sector Review

Following the enactment of water act 2016, several changes have taken place within the sector and this has affected water sector and the core mandate of the institutions within the sector. CWWDA is aware of its roles within the reforms and is well prepared to undertake these roles. In particular, the agency has to play a vital role in assisting the County to achieve its goals in line with Kenya vision 2030 and strategic development goal No.6 of water and sanitation and hygiene for all.

Key Regulatory Highlights

The regulatory environment remains an area of significance to our operations. The Government enacted the Water Act 2016 with a focus on improving water storage, strengthening regulation, creating viable water utilities and improving sector planning. Under the Act, sector coordination between the National Government and the County Governments under devolved water services provision will be enhanced

Performance

Under its mandate, CWWDA covers six coast counties with an estimate area of 83,630 km² and with it an estimated current population for the region being 4.4 million. Water demand has continued to rise with the current demand for the region estimated at 329,306 m³/day. With the current water production from all sources being 180,000m³/day the gap is evidence and this a daily concern to us as the agency serviced with the mandate of ensuring adequate water infrastructure in the region. In consultation with other stakeholders the agency also has to strategize on providing infrastructure for piped water considering that currently the total population that is served with piped water is approximately 55% or 2.405 Million

Corporate Governance:

The Board's corporate governance structure and practices are in line with the guidelines issued by Mwongozo and other applicable regulations. At a board level CWWDA has non-executive Chairman and the Director's except the CEO who is in charge of day to day management of the agency. The key role of the board is to give direction and address policy issues. This clarity ensures the Board and management perform their roles within specific parameters.

All the members of the Board have committed themselves to observing ethical behavior and practices in all the Board's business. In addition, all the members of the Board have undergone through various Governance board training to enable them undertake their roles and mandate with information.

The Board has constituted appropriate Board committees which are the Human resource and Administration, Technical and asset development and the Audit and Risk Committee. All the Board meetings are scheduled and are held on quarterly basis. Ad hoc board meetings are also held whenever necessary and with specific agenda.

Stakeholder Management

CWWDA has various types of stakeholders who perform different roles complimentary to it. Some of these are: the various water institutions like WASREB, WARA, Water Appeals Board, Water Services Providers,

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Water Services Trust Fund, Community Based Organizations (CBO) the hospitality Industry players among others. During the year, the agency engaged them various ways including stakeholder participation, Water Distribution, procurements and debt collection among other engagements.

Corporate Social Responsibility (CSR)

The agency considers CSR as an integral part of its Business and is concerned about the welfare of its staff, the communities around it and is sensitive to the environment within which it operates. In order to enhance environmental conservation, the agency has a unit dedicated in dealing with environment issues and resettlement for those affected in one way or another by infrastructure development.

The Agency allocates some resources in its budget each year for various CSR initiatives, aimed at impacting positively on the lives of respective communities and stakeholders. These activities focus on education, free water during drought and other distress periods, participating in charitable activities, free technical advice for projects being undertaken within the region among other activities.

Risk Management

As an agency, sound assessment of risk will enable us to anticipate and respond to changes in our business environment, as well as make informed decisions under conditions of uncertainty. The agency has developed a risk management strategy and is committed to a process of risk management that is aligned to the principles of best practice and corporate governance. The agency has developed a five-year business strategy covering the period June 2018 to June 2023 and in implementing this strategy all applicable risks will have to be assessed and mitigation measures taken as to address them.

Future Outlook

With the water demand increasing continuously for the last five years and the focus on big 4 agenda, the agency expects to play a key role in its mandate in developing sustainable infrastructure and maintaining those already developed. As an organization, we are aware and appreciate the stakeholders who have related roles in ensuring water is available for all. To this end, the agency will continue to offer its internal expertise and also offer capacity building in order to support all players in the sector. CWWDA will also continue investing in its human capital to ensure business continuity and efficiency. The agency will also engage development partners to develop and increase water and sewerage services.

Appreciation

In conclusion, I take this opportunity to thank my colleagues in the Board for supporting me in providing leadership since I took over the leadership of the agency as the Chairman. Their commitment contributed immensely to our performance and being able to focus for the future together.

I also commend management and staff for working tirelessly to achieve the level of business growth that we have witnessed. I am confident that they will continually spare no effort to attain and surpass the targets set for the new financial year. I recognize the support from the community at large and all other stakeholders for supporting and doing business with us.

I also wish to thank our Government and development Partners for their continued support in building this agency and in the process impacting positively on lives and communities in our country. New Chairman from 26. February 2021


MR. OMAR IDD BOGA
CHAIRMAN

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STATEMENT BY THE CHIEF EXECUTIVE OFFICER

Execution of our mandate

CWWDA mandate is implemented principally through two avenues which are to develop and maintain and water infrastructure and management of the Bulk Water Supply unit which produces water for sale to the Water Services Providers namely Mombasa, Kilifi-Mariakani, Malindi, Kwale and Tavevo Water Companies.

The asset development is under the technical unit which plays its role in various ways including

- a) Operations and maintenance of Bulk Water Systems in the Region.
- b) Overall Planning Design and Construction for capital improvement projects, facility improvements and replacements for existing systems.
- c) Preparation of Terms of Reference, RfP's and Tender Documents.
- d) Projects' Supervision and reporting
- e) Provision of Technical Assistance to the CS, other departments, WSPs and Counties.

The Bulk Unit (established under the technical department) is responsible for the operation and maintenance of the bulk system which comprises of Baricho, Marere, Tiwi and Mzima schemes. Currently the Bulk Unit is semi-autonomous with offices at Mazeras and headed by acting Managing Director. The bulk unit is budgetary supported by CWWDA.

The Operation and Maintenance (O & M) of the Bulk Water Supply Unit (BWSU) involves patrolling of the system's pipelines, attending to leaks and bursts, servicing and repair of electrical installations, bulk meter reading and bulk water billing, servicing and repair of bulk water meters. In undertaking these activities, BWSU is able to effectively serve the Water Service Providers (WSPs) as well as the Community Based Organizations. (CBOs)

There are four major water schemes under the jurisdiction of CWWDA providing approximately 50% of the water demand in the region. These schemes are

- a) Marere Water Supply pipeline, a **40km** gravity system, was constructed in **1923**. The water source is the Marere springs and the scheme supplies bulk water to **two** main WSPs namely; KWAASCO and MOWASCO.
- b) Mzima Waterworks and pipeline including main storage and distribution tanks at Mazeras. This was constructed in **1953** and is a **220km gravity system**. This scheme supplies bulk water to **four** main WSPs namely; TAVEVO, KWAASCO, KIMAWASCO and MOWASCO.
- c) Tiwi well field was developed in the 1970's. This scheme supplies bulk water to **two** main WSPs namely; KWAASCO and MOWASCO.
- d) Baricho Water Works and pipeline, a **104km** pumping system was constructed in 1980 with Sabaki River as the source, and in 1990 Sabaki well field was developed. This scheme supplies bulk water to **three** main WSPs namely; MOWASCO, KIMAWASCO and MOWASCO

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The water production under the below schemes has increased by a good margin since 2005 as shown by table 2 below.

Table No 2. Production of water by different schemes

S/No.	Bulk Water source	Water Production 2005 (M3/day)	Water Production-2020 (M3/day)	Additional Population Served @100L per person per day
1.	Mzima springs	35,000	40,000	60,000
2.	Marere Springs	7,000	9,000	70,000
3.	Baricho Well Field	45,000	63,000	590,000
4.	Tiwi Boreholes	7,200	6,600	68,000
Totals		94,200	118,600	788,000

The demand for water in the coast region is yet to be met despite the increase of Water production from these schemes. Some of the reasons that contribute to this scenario include aged infrastructure that requires frequent repairs and maintenance non-revenue water as well as the length of time that it takes to complete project when compared to the rise in demand for water.

Revenue collection

Coast Water Works Development agency has had challenges with collection of its revenue that emanates from the bills generated and delivered to the WSPs. There has been a reluctance by these WSPs to pay in full their bills. For a very long time the efficiency level has been way below the standard set by WASREB of 90% and above. In addition the WSPs have not paid the administration charges causing the agency a lot of concerns due to the high operational costs which constitute over 96% of the revenue collected. Other costs for bulk water production are left with funding gap.

Efforts to involve the Counties have yielded minimal results. The table below shows the revenue collection efficiency over the years.

Table 3: Revenue collection trend

	Billed (Kshs)	Collected (Kshs)	Collection Efficiency (%)
2019-2020	849,760,568.00	490,369,595.00	58%
2018-2019	697,863,700.00	580,415,945.85	83%
2017- 2018	715,296,860.00	627,900,869.69	88%
2016-2017	918,687,205.00	540,604,224.00	59%
2015-2016	880,163,226.00	679,797,375.00	77%
2014 2015	845,834,810.00	613,562,151.49	73%
2013-2014	837,150,767.00	687,479,470.10	82%

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Government funded Projects

Drought Mitigation

Water insecurity can be worsened by drought. More people are affected by drought than any other disaster type. In 2016, 411 million people worldwide were affected by disasters and 94% of those were drought affected. In Kenya Drought affects almost 40% of the population and area. The Government has perennially funded drought mitigation projects countrywide to the tune of Kshs.6 billion. During the financial year under review, CWWDA received Kshs 61 million for this purpose and these funds were allocated to various programmes geared towards drought mitigation in all counties in the region.

Equalization Fund Projects

The Kenya Constitution 2010 created this fund to narrow the gap between counties that are known to have economic and social development levels way above the others. In 2016-2017 financial period, CWWDA was allocated Kshs 1,244,517,859.00 as summarized by table 2 below. Projects have been undertaken progressively since that year with various projects being completed.

Table 3 Equalization funds allocation Kshs

County	A	B
	Budget	Value Of Awarded Contacts
Kilifi	354,017,859	322,248,788
Taita	165,500,000	105,447,617
Kwale	190,000,000	175,694,372
TanaRlver	220,000,000	210,028,098
Lamu	315,000,000	302,476,906
Total	1,244,517,859	1,115,895,780

During the year under review, CWWDA utilized Kshs. 64,545,020.00 for payment of completed Projects under the Equalization fund

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Donor Funded Projects

To respond to the immediate water and sanitation challenges, CWWDA is currently undertaking the Water and Sanitation Development Program (WSDP) which is jointly financed by the WB and GoK. Through this project, an additional 22,000m³/d is expected to be produced from the Baricho well field by drilling 3No additional boreholes. Furthermore, the separation of Mombasa and Kilifi transmission pipelines will ensure increased flows to Mombasa. Rehabilitation of network reticulation in Mombasa together with improvement of supply to Mombasa and Malindi.

The project also offers institutional support in terms of capacity building and technical assistance for design and supervision of works.

The Board has engaged the AFD under the proposed Improvement of Drinking Water in Mombasa to finance activities that can bring immediate impact in terms of water and sanitation service provision in Mombasa and South Coast. In addition, the African Development Bank (AfDB) is funding the Small Towns Water Supply and Sanitation Programme – Phase II currently. The targeted projects under the AfDB programme are the rehabilitation of the 2,500m³/day Pemba Dam and the rehabilitation of Changamwe Repooling secondary sewer network which have already been contracted and works are ongoing.

Working with Stakeholders

Stakeholders play an important role in our ability to deliver on our strategy and meet our customer expectations. We continue to engage with them, and are committed to developing and maintaining healthy relationships. This includes various ministries in the government, Counties, various government agencies, private organizations, media houses, financial institutions, suppliers and the general public. CWWDA has maintained good working relationships with all stakeholders and will endeavor to do so in future.

Appreciation

In conclusion, I thank the Government of Kenya for its confidence in our ability to execute our strategy to ensure efficient and economical provision of water and sewerage services within our area of jurisdiction. I also thank the board and the employees for their commitment and dedication in delivering on our mandate and our development partners who have continued to support our expansion of water and sanitation infrastructure.



JACOB TORUTT
CHIEF EXECUTIVE OFFICER

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REGULATORY AND NON-COMMERCIAL ENTERPRISE PERFORMANCE REVIEW FOR FY 2019/2020

Coast Water Works Development Agency has *nine* strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

- i. To recruit and retain at least 80% highly qualified staff by 2023
- ii. To increase water production to 90% and water coverage by 80% by 2023
- iii. To improve ICT infrastructure and services from 40% to 80% by 2023
- iv. To improve water coverage from 56% to 80% by 2023
- v. To improve revenue collection from 60% to 90% by 2023
- vi. To reduce operation cost from 18% to 15% by 2023
- vii. To create alternative source of funds by 2023
- viii. To solicit for financial support from GOK through budget allocation by 2023
- ix. To adhere to legal, ethical and effective communication standards by 2023

CWWDA develops its annual work plans based on the above *nine* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2019/2020 period for its nine strategic pillars, as indicated in the diagram below:

Indicator Name	Weight	Target	Achievement	Weighted Score	Remarks
<i>Financial Stewardship and Discipline</i>					
<i>Absorption of Allocated Funds</i>	2	100.00	87.00	0.0652	Good
<i>A-in-A</i>	2	600.00	502.00	0.0665	Good
<i>Absorption of Externally Mobilized Funds</i>	3	100.00	83.00	0.1002	Good
<i>Pending Bills</i>	3	1.00	9.10	0.15	Poor

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Weight Sub total	10			0.3819	
Service Delivery					
Implementation of Citizens Service Delivery Charter	4	100.00	100.00	0.12	Very Good
Application of Service Delivery Innovations	3	100.00	100.00	0.09	Very Good
Resolution of Public Complaints	3	100.00	95.00	0.093	Good
Weight Sub total	10			0.303	
Core Mandate					
Rehabilitation of Bura Water Supply	7	100.00	100.00	0.21	Very Good
Changamwe Sewerage Re-pooling Network Scheme	5	100.00	8.10	0.2419	Poor
Construction of Pemba Dam	4	100.00	15.00	0.188	Poor
Rehabilitation of Hola Water Supply	6	100.00	95.00	0.186	Good
Drilling and Equipping of 2No. Boreholes in Changamwe Sub-County	6	100.00	100.00	0.18	Very Good

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Watamu Town Water Distribution Network Lot 2A	2	100.00	100.00	0.06	Very Good
Rehabilitation of Tiwi Boreholes	4	100.00	15.00	0.188	Poor
Improvement of Water Supply to Dongo Kundu Special Economic Zone(SEZ)	5	100.00	100.00	0.15	Very Good
Extension of Water Services to Mwanambeyu Girls High School in Kwale County	4	100.00	100.00	0.12	Very Good
Construction of Mwakirunge-Marimani-Maunguja Distribution Network Extension	4	100.00	100.00	0.12	Very Good
Drilling and Equipping of a Shallow Well and borehole under the National Drought Mitigation Program	4	100.00	100.00	0.12	Very Good
Mwache Dam Water Transmission Pipelines and Water Treatment Plant Design	3	100.00	100.00	0.09	Very Good
Project Completion Rate	2	100.00	77.00	0.0692	Good
Review of Strategic Plan	3	100.00	100.00	0.09	Very Good
Drilling and Equipping 3No. Replacement Boreholes at Baricho Well Field	6	100.00	40.00	0.252	Poor
Weight Sub total	65			2.2651	
Access to Government Procurement Opportunities					

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Access to Government Procurement Opportunities(AGPO)	3	40,753.00	54,000.00	0.0705	Excellent
Weight Sub total	3			0.0705	
Promotion of Local Content in Procurement					
Promotion of Local Content in Procurement	2	54,317,000.00	107,000,000.00	0.0212	Excellent
Weight Sub total	2			0.0212	
Cross - Cutting					
Asset Management	1	100.00	70.00	0.036	Good
Youth Internships/Industrial Attachments/Apprenticeships	1	90.00	53.00	0.0382	Fair
Competence Development	2	100.00	91.50	0.0634	Good
Disability Mainstreaming	1	100.00	85.00	0.033	Good
Prevention of HIV Infections	1	100.00	0.00	0.05	Poor
Safety and Security measures	1	100.00	92.00	0.0316	Good

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<i>National Cohesion and Values</i>	1	100.00	100.00	0.03	<i>Very Good</i>
<i>Corruption Prevention</i>	2	100.00	59.90	0.076	<i>Fair</i>
<i>Weight Sub total</i>	10			0.3582	

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CORPORATE GOVERNANCE STATEMENT

Introduction

The agency is committed to maximizing business performance, generating appropriate levels of stakeholder's value and financial returns, and sustaining the growth and success of CWWDA.

Effective governance is achieved through a combination of strong process and structures, underpinned by the right values and culture. The principles of corporate governance are contained in the Constitution and The Public Officer Ethics Act, 2003 among other guidelines. CWWDA is in compliance with the governance tenets of the recently developed "Code of Governance for Government Owned Entities", Mwongozo. CWWDA is committed to ensuring compliance with the provisions of Water Act 2016 among other regulatory and supervisory Corporate Governance requirements.

In conducting business in accordance with these objectives, the Agency seeks to ensure that CWWDA is properly managed to protect and enhance stakeholder interests, and that CWWDA, its Directors, officers and employees operate in an appropriate environment of corporate governance.

The Board has in place a framework for governing CWWDA which includes adopting internal controls, risk management processes and corporate governance policies and practices, designed to promote responsible management and ethical conduct.

Roles and responsibilities of the Board and management

The Board provides overall strategic guidance for CWWDA and effective oversight of management. Responsibility for the governance of CWWDA, including establishing and monitoring key performance goals, rests with the Board. The Board monitors the operational performance and financial position of the agency through management reports, performance contracts procurement plans as well as the audited financial reports.

The Board Charter articulates the Board's roles and responsibilities, its membership and operation clearly stating which responsibilities may be delegated to committees or to management. Specific responsibilities have been reserved by the Board in key areas of strategy, governance, executive appointments and financial approvals. The Board has established three standing committees to assist in performing its responsibilities by discussing in detail particular issues and making recommendations to the Board and these committees operate under specific terms of reference.

The CEO has the responsibility of managing the day-to-day affairs of CWWDA in line with the Board-approved corporate plan, the corporate strategy and policies.

Board Size, Composition and Appointment

The structure of CWWDA Board starts with the Board of Directors who are all independent except the CEO. The Cabinet Secretaries in both the National Treasury and the Ministry of water and sanitation are represented in the Board by their duly appointed nominees. The state Corporation Advisory Committee (SCAC) is also represented in the board.

The Board is well composed in terms of range and diversity of skills, knowledge, and experience in various sectors which makes it effective in providing an appropriate balance for the oversight of the Board's mandate.

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Separation of Roles and Responsibilities

The roles and responsibilities of the Chairman of the Board, the Chief Executive Officer and non-executive directors remain distinct and separate which ensures a balance of power of authority and provides for checks and balances such that no one individual has unfettered powers of decision making. Their roles have been documented and are expected to be independent and free from conflict upon appointment. SCAC is responsible for reporting to the Board on the evaluation of the performance of the Chairman, Board and committees.

The Chairman provides overall leadership to the Board without limiting the principles of collective responsibility for Board's decisions. The Chairman builds an effective board and sets the board agenda in consultation with the Chief Executive Officer and ensures effective communication to stakeholders.

The Board does not consider the Chief Executive Officer to be independent as this is an executive role. All Directors are non-executive and are independent of management. Their roles include appointing the CEO and establishing a framework for the delegation of authority and ensure succession planning for the CEO and the senior management. Their main role is therefore to give oversight and strategy direction and monitor the progress of strategy implementation ensuring it is done within the risk appetite and control framework that is set out by the Board.

The CEO is responsible to the Board and takes the overall responsibility for the management of the affairs of CWWDA. The CEO recommends the strategy to the Board and implements it and makes operational decisions. The CEO further ensures appropriate and timely information flows within the Board, its committees and management.

Board Committees and Responsibilities

The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities. The Board has developed a committee structure that assists in the execution of its duties, powers and authorities. Each Committee is guided by the Committee Charter/Terms of Reference, which outlines its responsibilities as mandated by the Board.

The Committees are appropriately constituted drawing membership from amongst the Board members with appropriate skills and experience. The Chairman of the Board, management and external parties/advisors are required to attend the committee meetings only by invitation. The committees are expected to operate transparently, ensure full disclosure to the Board and conduct themselves within the rules and procedures set out by the Board. Matters deliberated by the Committees are presented to the Board by the respective chairman during the next Board meeting. CWWDA has in place Technical, Human resource and administration and also Audit Risk committee.

Conflict of Interest, Code of Conduct and Ethics

The Directors and employees of CWWDA have a fiduciary duty to act honestly and in the best interest of the Agency. Business transactions with all parties must be carried out at arm's length and with integrity. The Board provides effective leadership based on ethical foundation and ensures all deliberations, decisions and actions are based on the Boards' core values underpinning good governance.

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The Board has put various measures in place to ensure that there is no conflict of interest amongst its directors and staff. The Board has put in place corruption prevention plan and Code of Conduct & Ethics Policies that binds both the directors and the employees. A declaration of interest is signed by board members before deliberating on various matters.

During the year, under review CWWDA conducted various training to Directors and staff on ethics and integrity.

Accountability & Audit /Control Environment Management

a) Internal Auditors

CWWDA has an internal audit function which has the role of providing independent and objective assurance to the Audit and Risk committee on the adequacy and effectiveness of the risk management framework, financial reporting processes, internal control systems and compliance

The annual internal audit plan, which is approved by the committee of the board is developed using a risk-based approach and is driven by the risk framework, risk profile and governance principles. The head of the internal audit function reports directly to the committee Chairman, with an administrative reporting line to the Chief Executive Officer. This ensures that internal audit is given the independence that is required.

The Manager, Internal Audit & Risk reports to the committee meeting on progress against the annual internal audit plan, audit findings and recommendations and the status of management actions. The Board has qualified staff who carry out the internal audit function and present reports on compliance. The Audit and Risk Committee is composed of non-executive directors.

b) Internal Controls and Risk Management

The Board has the responsibility of identifying internal risk exposures and developing measures to mitigate against the identified risks. The Board reviews and monitors the development and implementation of internal control systems and risk management systems using various approach including through policies and manuals.

c) Relationship with Stakeholders

As an organization, CWWDA appreciates that stakeholder perception affects the organizations reputation and may affect its ability to effectively undertake its mandate. Therefore the Board strives to achieve an appropriate balance between its various stakeholders in the best interest of the organization by taking into account their legitimate interest and expectations in decision making.

The Board values the importance of complete, timely, transparent and effective communication with its stakeholders for building and maintaining their trust and confidence by providing regular information on its performance, activities and addressing their concerns while taking into consideration legal and strategic considerations.

CWWDA has developed a Corporate Communications Strategy which encompasses internal & external communication, customer service and public relations. The main avenues for communication are through

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press releases, stakeholder forums and publications in print and social media, and annual reports and financial statements. The Board has continued to encourage electronic communication through publishing documents in the corporate website and has endeavored to ensure that the website is highly interactive and contains all the relevant information.

Additionally, the Board has dedicated staff to deal with complaints and public relations efficiently and effectively. The Board has an established mechanism of receiving, resolving and giving feedback on complaints referred to it by its stakeholders. The Board submits quarterly reports to the Commission of Administrative Justice on the complaints handling and management.

d) Annual Report and Accounts

The financial reports for CWWDA accounts are audited by the Auditor-General whose role and responsibilities are defined under the Constitution of Kenya. CWWDA has in the past prepared and submitted its annual reports and financial statements to the auditor general for review as required. In addition, quarterly reports are prepared and submitted to the relevant agencies as per existing guidelines.



JACOB TORUTT
CHIEF EXECUTIVE OFFICER

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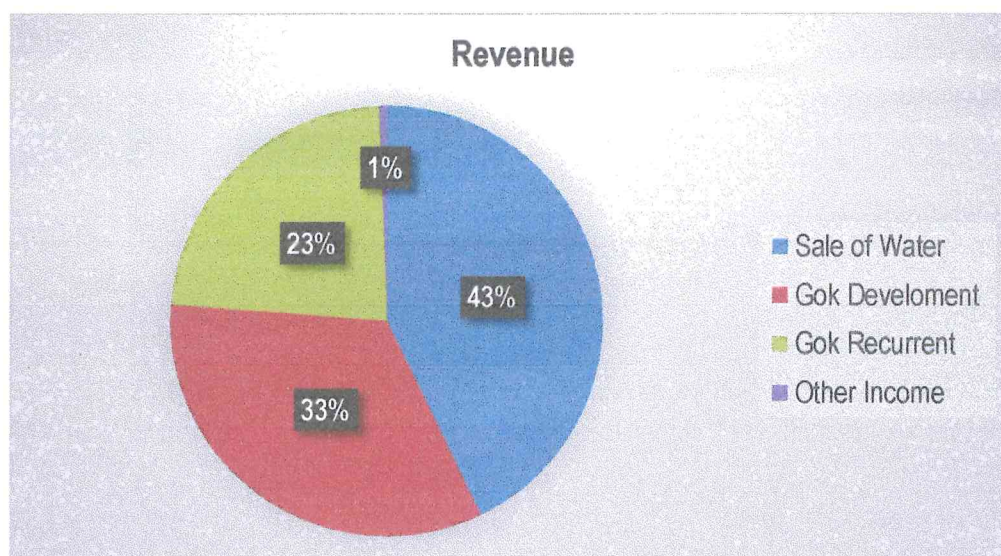
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the financial year ending 30th June 2020, CWWDA generated total revenue amounting to Kshs. 1,983,079,970 against an expenditure of Kshs. 1,638,311,362.

Detail	Kshs	%
Sale of Water	849,760,568.00	43
GOK Development	662,331,701.00	33
Gok Recurrent	458,799,998.00	23
Other Receipts	12,187,70.00	1
Total	1,983,079,970.00	100



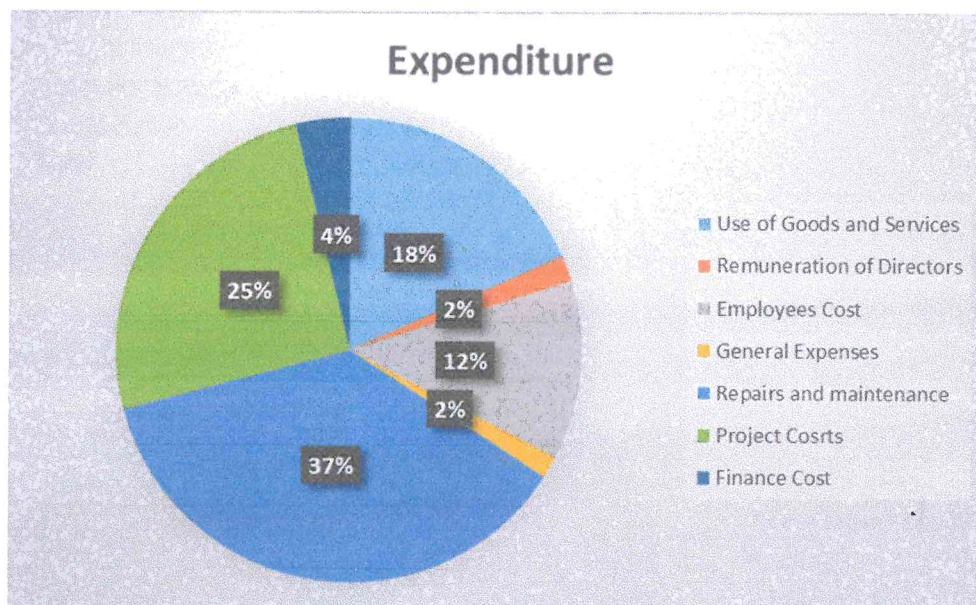
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Expenditure

The total expenditure for year under review was Kshs. 1,638,311,363 with bulk of the same being utilized for operational Expenses and Projects among others as indicated below

Expenditure	Kshs.	%
Use of Goods and Services	304,337,030	18.33
Remuneration of Directors	28,666,892	1.81
Employees Cost	206,338,752	12.49
General Expenses	22,662,376	1.51
Repairs and maintenance	604,383,970	36.73
Project Costs	414,529,792	25.30
Finance Cost	61,396,588	3.83
Total	1,642,315,340	100.00



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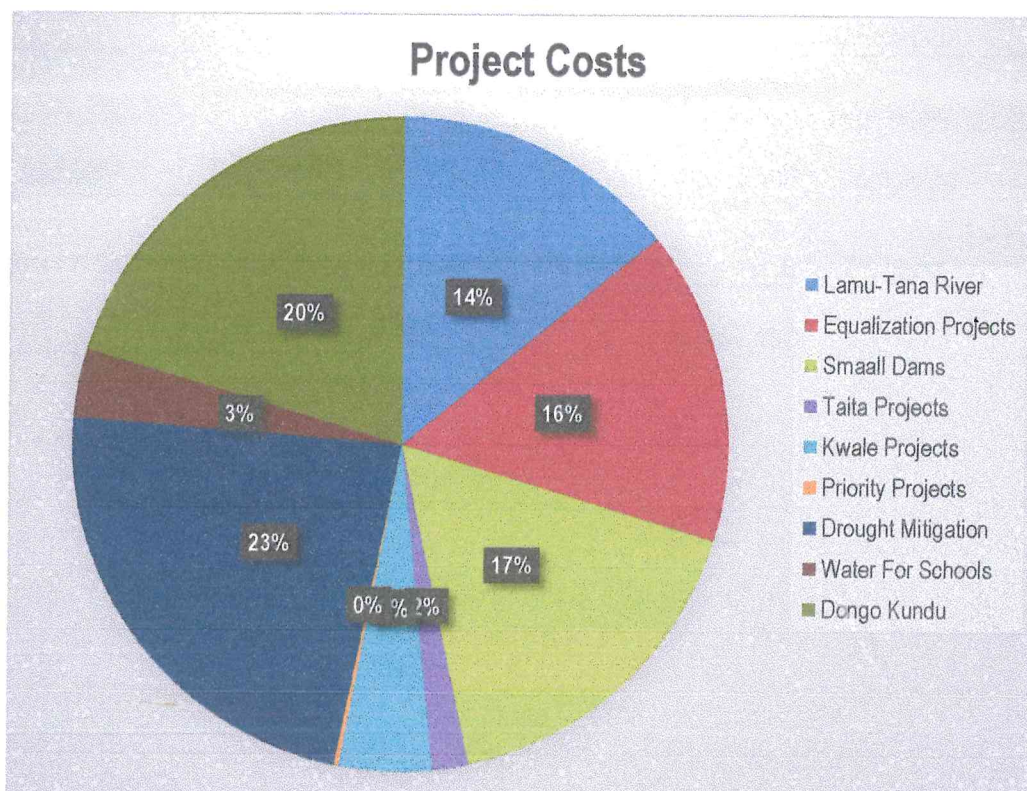
Detailed Utilization of Revenue

a) Projects expenses

During the year under review the CWWDA undertook several projects under its Master plan as well as other projects that became necessary during period. In determining g the projects to undertake, stakeholders are consulted in the spirit of public participation. And to ensure equitable distribution of the available resources. The project that were undertaken and were under different categories depending on the source of funds as well as the key purpose of the project. Some projects were factored in the budget while others were continuing project from the previous period. Some of the projects were completed while others are ongoing and will be completed in the coming financial periods.

The table below shows the project expenditure as per each category respectively:

Project Cost	Kshs.	%
Lamu-Tana River	58,659,355.00	14.13
Equalization Projects	64,545,020.00	15.55
Small Dams	70,248,057.00	16.92
Taita Projects	7,418,500.00	1.79
Kwale Projects	19,005,572.00	4.58
Priority Projects	880,718.00	0.21
Drought Mitigation	94,671,223.90	23.08
Water For Schools	14,031,547.00	3.38
Dongo Kundu	84,511,927.00	20.36
Total	414,529,792.00	100.00



COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**b) Water for Schools Projects**

CWWDA was also allocated funds to undertake rapid initiative projects in various learning institutions under the "water for schools" programme. Some of those projects are ongoing and others have been completed. The "water for schools" program was one of the programmes that had immediate impact in the affected learning institutions. This is due to the short period that was taken to complete the projects with most of the projects completed within the financial period.

Water for school projects

	COUNTY	Cost incurred Kshs	Status
Kizingitini Sec Sch Water Project	Lamu	2,343,734	Completed
Faza Girls Pri Sch	Lamu	2,218,156	Completed
Portreiz Special School	Mombasa	2,728,337	Completed
Ahmed Shahame Mwidani Technical Training Institute	Mombasa	2,986,279	Completed
Chaani Sec School	Mombasa	2,835,452	Completed
Mwalukombe Girls Sec Sch	Kwale	718,794	Completed
Matuga Girls High Sch	Kwale	2,750,000	Completed
Kirewe Sec Sch	Kwale	1,315,440	Completed
Mwangoni Pri Sch	Kwale	0	On going
	TOTAL	17,896,192	

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c) Projects under equalization fund.

The Kenya Constitution 2010 created the Equalization fund to narrow the gap between counties that are known to have economic and social development levels way above the others. In 2016-2017 financial period, CWWDA was allocated Kshs 1,244,517,859.00 as summarized by the table below. Projects have been undertaken progressively since that year with various projects being completed.

Equalization funds allocation

County	Budget	Value of awarded contacts
Kilifi	354,017,859	322,248,788
Taita	165,500,000	105,447,617
Kwale	190,000,000	175,694,372
TanaRiver	220,000,000	210,028,098
Lamu	315,000,000	302,476,906
Total	1,244,517,859	1,115,895,780

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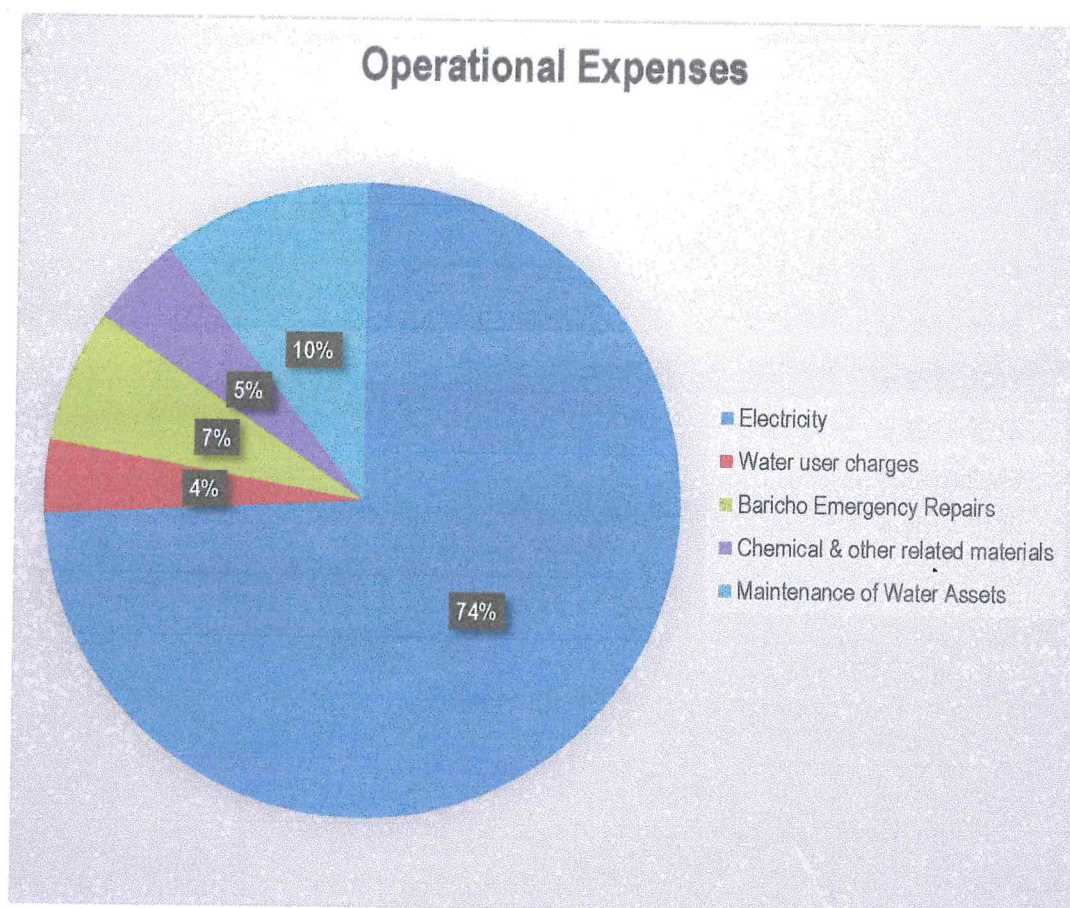
d) Drought Mitigation

Drought mitigation projects are not normally budgeted but they are undertaken when need arises. During the year under review, CWWDA incurred a cost of Ksh 94,671,224 under this category, this being 22.8% of the total project costs.

Operational Expenses

This is one of the major expenditure that the board incurred during the financial period with the main expenditure under this category being the electricity bills for Baricho pumping station.

Operational Expenses	Kshs.	%
Electricity	448,155,747.00	74.17
Water user charges	22,287,038.00	3.70
Baricho Emergency Repairs	40,938,713.00	6.80
Chemical & other related materials	28,395,785.00	4.72
Maintenance of Water Assets	64,606,686.00	10.60
Total	604,383,970.00	100.00



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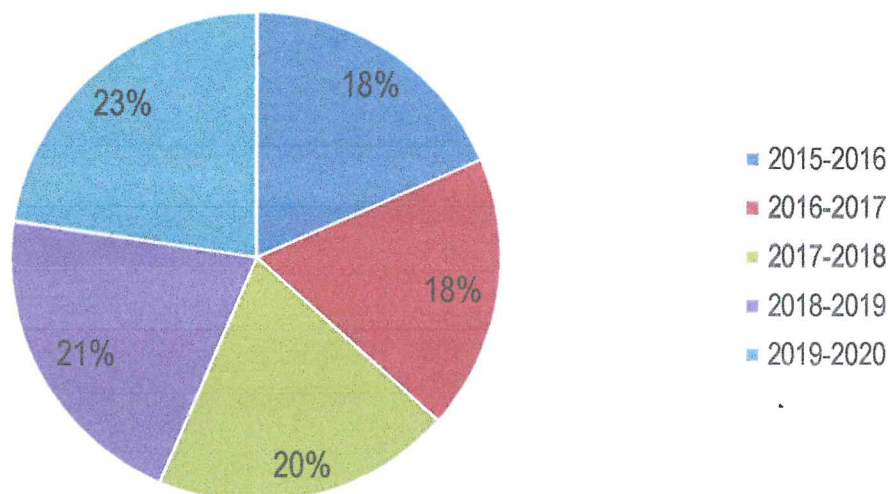
Under operating expenses, it is important to point out that the cost of power has been rising over the period with the main challenge being that power is charged to us using commercial rates and yet since water is zero rated, the agency cannot pass the same to the consumers hence CWWDA has to absorb the total cost of power. Table 9 show the trend of power bill over the last five years which shows progressive increase in the trend with the last five years indicating a stability of the bill at an average of Kshs 394,225,193 per year.

Cost of power bill for the last five years.

Electricity Costs

Year	Kshs	%
2015-2016	364,183,202.00	18.5
2016-2017	356,550,190.00	18.1
2017-2018	390,799,466.00	19.8
2018-2019	411,437,358.00	20.9
2019-2020	448,155,747.00	22.7
Total	1,971,125,963.00	100

Power Cost



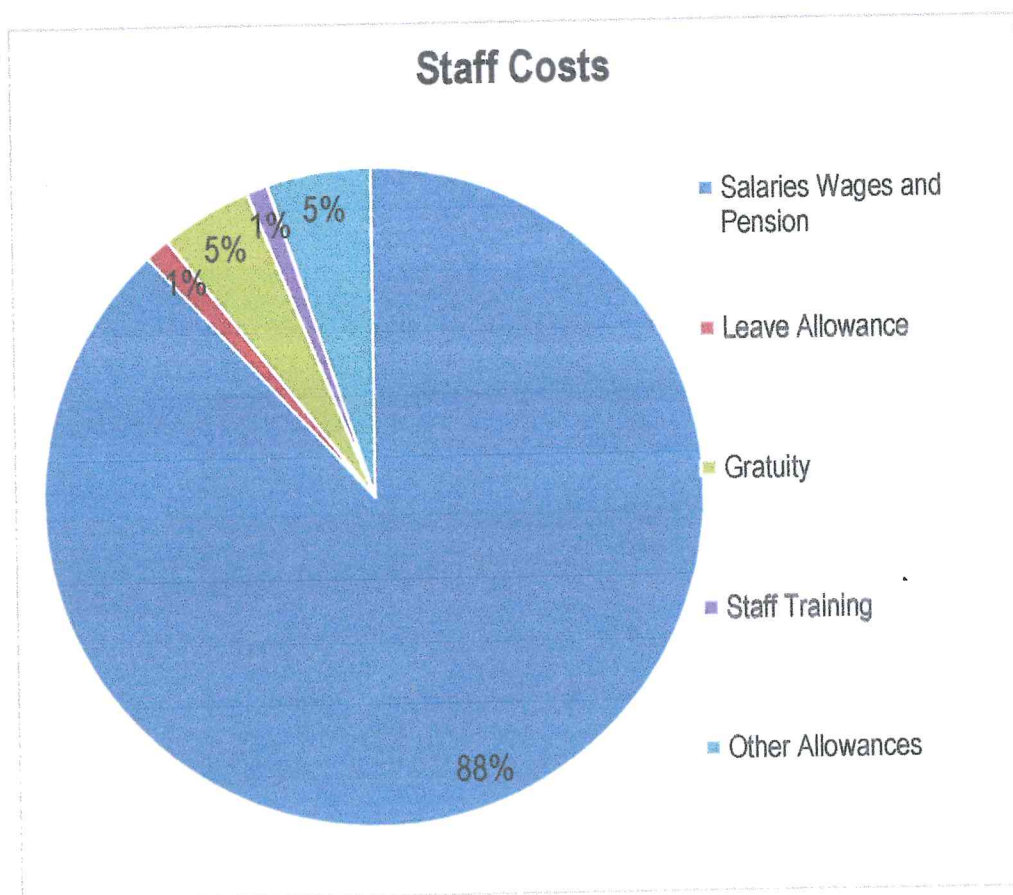
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Staff Costs

This cost has remained almost constant varying in small margins. This is attributable to a low rate of employment compared to the number of staff retiring each year. Out of the total cost of Ksh 205,192,965.00 most of the staff cost was attributable to basic salaries, and pension taking 88% of the total staff costs. The summary of staff expenses is given by table below

Staff Cost	Kshs	%
Salaries Wages and Pension	181,456,005.00	88.1
Leave Allowance	2,552,226.00	1.3
Gratuity	9,152,906.00	4.5
Staff Training	2,782,643.00	1
Other Allowances	10,394,971.00	5.1
Total	206,338,752.00	100



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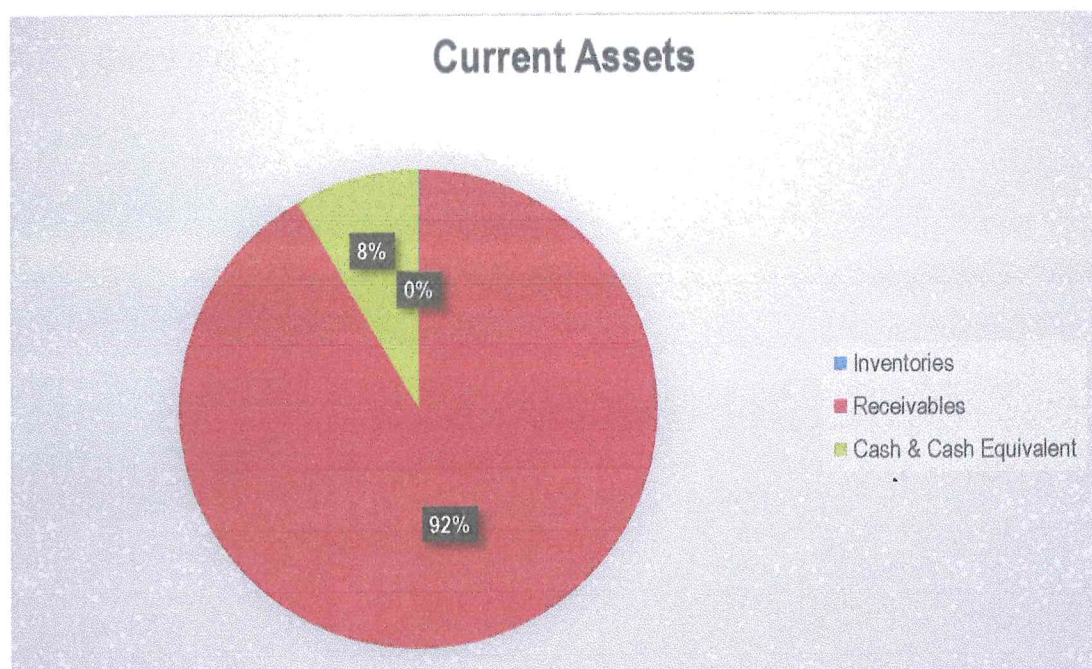
Assets and liabilities

The net balance of CWWDA has continued to grow over the years as CWWDA continue to endeavor to meet the ever rising demand for water. The bulk of the non-current assets constitute the water infrastructure while the receivables constitute the biggest percentage of the current assets.

a) Current assets

Under current assets, the receivables take the highest percentage (91%) of the assets cost as shown by table below. Under inventories machinery, pipes and fittings are held for continuous repair for our assets, some of which are old and require constant repair.

Current Assets	Kshs.	%
Inventories	13,803,548.00	0.31
Receivables	4,101,329,864.00	91.27
Cash & Cash Equivalent	378,970,392.00	8.42
Total	4,498,832,090.00	100.00



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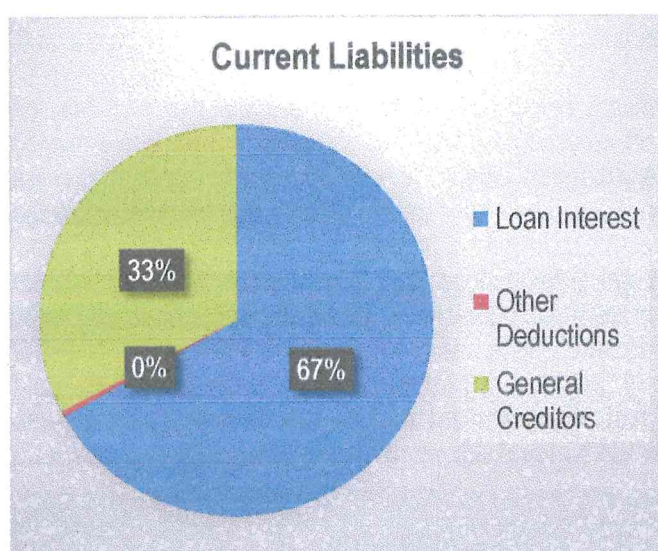
b) Non-current assets

In this category Work In Progress (WIP) takes 64% of the total cost and property, plant and equipment taking the balance of 36%. The WIP is attributable to various projects that are on-going at different stages. During the year under review two projects were transferred to Fixed Assets having been completed and handed over to the Agency. The two projects were Mombasa Lot 2 and the Bulk water project. In the current year it is expected that more projects will be transferred to Fixed assets among them Baricho Lot 3 and Baricho Lot 2.

c) Current liabilities

Under this category Accumulated loan interest and General Creditors are the main components as at 30th June 2020. CWWDA has not paid any interest for any of its loans. This is attributable to the failure by WSPs to pay for their bulk water bills and administration fees in full. A summary of the current liabilities is given by table below.

Current Liabilities	Kshs	%
Loan Interest	998,881,051.00	67%
Other Deductions	7,076,772.00	0%
General Creditors	487,272,908.00	33%
Total	1,493,230,731.00	



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d) Non -Current liabilities

CWWDA has one major non-current liability, which is the World Bank (WB) loan and AFD Loan, the agency does not have any other long term liabilities.

e) Solvency, going concern and liquidity

As at 30th June 2020, CWWDA had a strong solvency base with assets valued at Kshs 16,373,087,705 and liabilities with value of Kshs. 14,149,050,133 hence a net assets worth of Kshs 2,224,037,573 and this gives a good indication of a going concern status for the agency

The current ratio (2.96) is equally very strong as current assets cover the current liabilities above the minimum professional requirement of 2. However, in practice, liquidity has been a challenge due to the huge pending bills from WSPs which are not performing. It is therefore our expectations that our stakeholders, who have supported us over the years will continue to support us even as we put various mechanisms in place to recover the outstanding debts.

Quality assurance and value for money

High quality standards are taken very seriously even as CWWDA undertakes its mandate. All effort is made to ensure the projects are designed, implemented and maintained by applying strict standards that are applicable in all aspects. Inspection teams composed of officers with relevant skills and experience are constituted and inspection criteria developed at all stages of the projects.

This ensures that there is value for money for the resources that are assigned to different task.

For the bulk unit, laboratory tests are conducted regularly to ensure the water that is released to the consumers is safe. In addition, CWWDA also ensures that chlorine and other chemicals that are required are procured and tested within the applicable standards. As an agency, we do also appreciate the fact that not all consumers rely entirely on our water and in this regard, CWWDA offers laboratory services to the members of the public who would wish to check the status of the water they are consuming. CWWDA has a monitoring and evaluation team that regularly visits the WSPs to establish their compliance with the laid down procedures and standards. To maintain the water quality standards, CWWDA also issues chlorine to WSPs to enhance the chlorination process at the consumer level. **Non-revenue water**

Non -Revenue water emanates from physical and commercial losses and is of big magnitude that demands attention all the time. A lot of water is lost from the four schemes due to their levels of dilapidation. The table below show the level of NRW per scheme as at 30.6.2020.

	Schemes				Total
	Tiwi	Mzima	Marere	Baicho	
Production(m3)	2,392,993	14,720,000	3,396,173	23,128,548	43,637,714
Sales(m3)	2,155,283	11,285,279	3,009,509	20,530,210	36,980,281
NRW(m3)	237,710	3,434,721	386,664	2,598,338	6,657,433
NRW(%)	10%	23%	11%	11%	15%

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Pictures showing vandalism, leaks and bursts that happen along our various water assets.

Compliance with statutory requirements:

During the financial year under review CWWDA complied with all the statutory requirements that as applicable. This includes deducting and submitting all taxes to Kenya Revenue Authority (KRA), NSSF deductions, NHIF and pension deductions among others. In addition, CWWDA prepared and submitted the quarterly financial statements to the relevance agencies as provided for in the guidelines.

COAST WATER WORKS DEVELOPMENT AGENCY

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CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORTING

Introduction

Sustainable development is all about ensuring a better quality of life for everyone, now and for generations to come. This can be achieved through the three strands of social equity which recognizes the needs of everyone, maintenance of stable levels of economic growth and employment, and using natural resources prudently, whilst protecting, and if possible enhancing, the environment. Sustainable or ecological development is a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with the future as well as present needs.

Sustainability requires continuous technological, economical the social progress of continuous improvement that respects the limits of the Earth's ecosystems, and meets the needs and aspirations of everyone for a better quality of life, now and for future generations to come.

As an agency, CWWDA is committed to meeting our stakeholder's present and future requirements through a collaborative culture which provides the capability to provide services and knowledge allowing systematic change to take place whilst reinforcing mutually desired social, economic and environmental outcomes. CWWDA recognizes the importance of conducting operations in a manner that meets existing needs without compromising the ability of the future generation to meet their needs; therefore, it carries out its operations in a manner that ensures the economic life of the community in which it operates. It remains the policy of the agency to ensure that activities meet and exceed the social, economic and environmental expectations of stakeholders.

The agency considers key aspects to be able to achieve its goal on the above. This is

- (a) Our people, values and processes;
- (b) Stakeholder engagement;
- (c) Protecting the environment; and
- (d) Corporate Social Responsibility and Investment.

Our People, Values and Processes

The staff of CWWDA are the primary asset of the agency. CWWDA therefore recruits, retains and invests in the best talent in the market and also gives opportunity for new comers through internships and attachments.

Diversity and Equal Opportunity

The agency endeavors to preserve gender and cultural diversity in our employee mix and takes pride as an equal opportunity employer for all qualified persons.

Our Culture and Values

Our vision of "To be a world class water and sanitation infrastructure development agency.

This describes who we are, what we stand for and what makes our culture distinctive. The staff and Directors are committed in upholding our core values in the discharge of our mandate.

COAST WATER WORKS DEVELOPMENT AGENCY

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Employee Welfare

The agency takes every effort to ensure that employees' well-being is considered as this affects them both at home and at work.

The Board has continued to ensure that all cross cutting issues have been addressed; in particular the policies and work plans for HIV/AIDs, Persons with Disability and Gender have been developed and are being implemented.

Staff Training and Development

To ensure that CWWDA not only attracts but also retains the best talent, the agency aims to nurture people's careers by making relevant opportunities accessible and helping them to develop skills, knowledge and experience in different functions or specialism. Staff training and development are a prerequisite for employees' growth. In FY 2017/2018, training continued to focus on departmental technical competencies and people management skills at all levels.

The Board also provides opportunities for groups of existing and future senior leaders to benchmark with best practices on management. Capacity building will remain a key objective for the agency.

Occupational Health and Safety

Good health and safety standards are ideal and remain an individual and corporate responsibility for the staff and the agency. The agency is committed to proactively managing all health and safety risks associated with its mandates.

The Board has a comprehensive medical scheme for its staff and directors. The policies are reviewed annually to ensure that the CWWDA maintains a healthy workforce and safe environment.

Zero Tolerance to Corruption

CWWDA has a zero tolerance policy towards corruption. During the year the agency carried out corruption risk assessment and mitigation measures. In order to enhance integrity in public procurement, CWDA posted all advertisements and awards to the public notice board at the gate of the head quart officers. Advertised open tenders in the papers for everybody to participate.

Corporate Social Responsibility and Investment

Through stakeholder engagement, we have listened to and talked with our employees, customers, investors, regulators, suppliers, Non-governmental Organizations (NGOs) and community representatives, who have helped us to develop our water master plan.

Towards this, the Board continues to pay school fees for best performing student at Baricho primary school.

Environmental Sustainability Report

Environmental Sustainability refers to concerted efforts to mitigate against environmental degradation. It is the maintenance of the factors and practices that contribute to the quality of environment on a long term basis. It involves making decisions and taking action that are in the interests of protecting the natural world, with particular emphasis on preserving the capability of the environment to support human life. CWWDA is cognizance of the possible impacts (both positive and negative) resulting from interaction of the organization's activities with both physical and social environments.

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

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

Approach

CWWDA environmental sustainability is guided by the Environmental Management and Coordination (Amendment) Act of 2015 which is the principal legislation governing the conduct of environmental management in Kenya; and the Constitution of Kenya, 2010. Other legislation related to natural resources such as Water Act, forest Act, Land planning Act and guidelines by National Environment Management Authority (NEMA). During the year under review CWWDA undertook the following activities in compliance with the guidelines:

Environmental sustainability planning

CWWDA developed an integrated workplace environment health and safety policy statement which states the organization's commitment to protect the environment, preserve the health and safety of CWWDA employees and communities, and ensure safe development of water and sanitation infrastructure.

This policy statement provides a framework for developing environmental objectives, targets and programs. The organizational service charter also include the environmental considerations such as the enforcement of water quality monitoring

Some of the environmental and social impact assessment reports licensed by NEMA are for the following projects among others:

Rehabilitation of Mzima pipeline, rehabilitation of Marere pipeline, rehabilitation of Baricho Wellfields and rehabilitation of Tiwi Boreholes

CWWDA subjects all the new water and sanitation infrastructure projects to environmental and social impact assessment process in line with the Environmental Management and Coordination Act, (EMCA), 1999 in order to identify both potential positive and negative impacts. This process allows for provision of enhancement, mitigation, restoration and compensation measures to ensure that the projects are environmentally and socially sustainable. The reports are submitted to NEMA for review and licensing and also to funding agencies (where applicable) for approval based on international standards.

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

REPORT OF THE DIRECTORS

The Directors submit their report together with the un-audited financial statements for the year ended June 30, 2020 which show the state of CWWDA

Principal activities

The principal activity of the Board is to ensure efficient and sustainable provision of quality and affordable water and sewerage services in its area of jurisdiction.

The main functions of CWWDA

- i) Ownership and holding of water and sewerage assets/Infrastructure on behalf of the National Government in the Coast Region.
- ii) Planning, development and expansion of water and sewerage services Infrastructure on behalf of the National Government in the Coast Region.
- iii) Provision of Bulk water services in the Coast region.

Results

The results of the entity for the year ended 30th June, 2020 are set out on page 1 – 7.

Auditors

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

By Order of the Board

For and on its behalf


Corporation Secretary

Date. 15.8.2020

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for the preparation and presentation of the CWWDA's financial statements, which give a true and fair view of the state of affairs of the Board for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the agency; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the agency (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for CWWDA's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act, CAP 446. The Directors are of the opinion that CWWDA's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2020, and of the agency's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the agency, which have been relied upon in the preparation of the agency's financial statements as well as the adequacy of the internal control systems.

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

Approval of the financial statements

The agency's financial statements were approved by the Board on 29th August 2020 and signed on its behalf by:

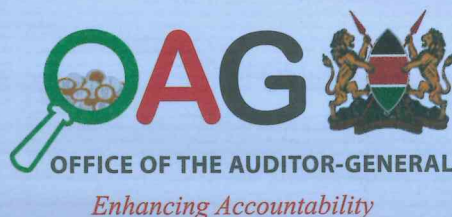


MR. OMAR IDIL BOGA
CHAIRPERSON



MR. JACOB TORUTT
CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA



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REPORT OF THE AUDITOR-GENERAL ON COAST WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Coast Water Works Development Agency set out on pages 1 to 25, which comprise the statement of financial position as at 30 June, 2020, statement of financial performance, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Coast Water Works Development Agency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Water Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

The financial statements reflect several balances for which sufficient records and information was not provided for audit review, as explained in the following paragraphs:

1.0 Operating Income

The statement of financial performance for the year ended 30 June, 2020 reflects operational income totalling Kshs.849,760,568, as further disclosed in Note 6 to the financial statements. Included in the balance are administrative fees totalling Kshs.116,565,660 billed to Water Service Providers for use of the water supply infrastructure inherited by the Water Service Providers from the Agency.

However, the fees are contrary to Section 131 (2) of the Water Act, 2016 which exempts licensed water services providers from paying for use of public assets for the provision of water services other than the repayments of loans acquired for the development of those assets.

Therefore, the fees charged to the Water Service Providers by the Agency may not be valid. As a result, the total income reported by the Agency in the year under review may be overstated by Kshs.116,565,660.

2.0 Trade and Other Receivables

The statement of financial position reflects trade and other receivables balance totalling Kshs.4,101,329,864 as at 30 June, 2020, as further disclosed in Note 17 to the financial statements. The balance includes Kshs.4,077,321,823 due from Water Service Providers which however, differs by Kshs.885,376,331 from the balances reflected as owed to the Agency in the books of the respective Water Service Providers, as detailed in the following table:

	Water Service Provider	Balance as Per Agency (Kshs)	Balance as Per Water Company (Kshs)	Difference (Kshs)
1.	Mombasa Water and Sewerage Company	1,525,422,723	1,175,970,141	349,452,582
2.	Malindi Water and Sewerage Company	571,809,922	500,785,438	71,024,484
3.	Kilifi-Mariakani Water and Sewerage Company	799,193,306	734,988,126	64,205,180
4.	Kwale Water and Sewerage Company	603,711,593	230,284,804	423,248,752
5.	Taita/Taveta Water and Sewerage Company	577,184,279	498,454,322	78,729,957
Total		4,077,321,823	3,191,945,492	885,376,331

The aggregate variance amounting to Kshs.885,376,331 has not been reconciled and as a result, the accuracy and completeness of the trade and other receivables balance totalling Kshs.4,101,329,864 as at 30 June, 2020 could not be confirmed.

3.0 Inaccuracy of the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts for the year ended 30 June, 2020 reflects actual expenditure totalling Kshs.1,643,685,071 whereas recasting of the items reflected in the statement yields Kshs.1,642,315,399. The resulting variance amounting to Kshs.1,369,672 has not been explained.

4.0 Audit Fees Payable

The statement of financial position for the year ended 30 June, 2020 reflects trade and other payables totalling Kshs.1,493,230,730 as disclosed in Note 21 to the financial statements. Included in the balance are outstanding audit fees totaling Kshs.2,867,522. However, the entry for the current year provision on audit fees is reflected as nil in Note 9 to the financial statements. No explanation has been provided for the anomaly.

In the circumstance, the accuracy and completeness of the outstanding audit fees as at 30 June, 2020 reflected in the Note 9 to the financial statements could not be confirmed.

5.0 Total Net Assets and Liabilities

The statement of financial position reflects total assets, liabilities and total net assets totalling Kshs.16,341,340,788, Kshs.14,120,661,830 and Kshs.2,220,678,958 respectively as at 30 June, 2020. However, the statement reflects at the bottom net assets and liabilities totalling Kshs.2,220,678,958 instead of Kshs.16,341,340,788. No explanation has been provided for the anomaly. As a result, the total net assets balance as at 30 June, 2020 may not be fairly stated.

6.0 Unpaid Value Added Tax

The trade and other payables balance totalling Kshs.1,493,230,730 includes general creditors totalling Kshs.1,486,153,958, out of which Kshs.76,842,252 denotes Value Added Tax not remitted to the Commissioner of Domestic Taxes.

Delayed remittance of the balance may attract penalties prescribed in Section 83(1) of Tax Procedures Act, 2015. The law provides that a person who submits a tax return after the due date shall be liable to pay a penalty equivalent to twenty-five percent (25%) of the tax due or ten thousand shillings, whichever is higher.

Consequently, the amount of penalties and interest payable on the outstanding Value-Added-Tax totalling Kshs.76,842,252 as at 30 June 2020 could not be confirmed.

7.0 World Bank Loan

The statement of financial position reflects non-current liabilities totalling Kshs.12,627,431,099 being the balance for a World Bank Loan owed by the Agency as at 30 June, 2020.

As previously reported, the Government of Kenya entered into a financing agreement with the World Bank in the year 2008 to finance water and sanitation services in Coast Province through Coast Water Works Development Agency. The Bank agreed to disburse Kshs.4,570,199,584.27 (USD.45,203,760) at an interest rate of 1.5 per cent per annum. The repayment period was set at thirteen (13) years with effect from 30 March, 2013, with an annual repayment of USD.4,906,636 for which the principal amount was USD.3,168,030 and interest USD.1,738,606.

However, records indicating repayments of the loan were not provided for audit verification. In addition, the annual repayment due amounting to USD.4,906,636 comprising the principal totalling USD.3,168,030 and interest totalling USD.1,738,606 was not disclosed separately under other current liabilities.

Further, International Public Sector Accounting Standard (IPSAS) 4 requires foreign currency monetary items to be translated using the closing rate for the date of the respective financial statements. However, the loan balance was translated to Kenya shillings at the rate prevailing on the transaction date and as a result, the applicable foreign exchange gains or loss was not measured and recognized in the financial statements. Further, the accounting policy on translation of foreign denominated transactions and balances was not disclosed in the Notes to the financial statements in line with accounting standards.

In view of these anomalies, it was not possible to confirm whether the Agency had observed the loan's repayment terms and whether the outstanding liability on the loan denoted as Kshs.12,627,431,099 as at 30 June, 2020 was correct.

Further, the statement of financial position as at 30 June, 2020 reflects trade and other payables balance totalling Kshs.1,493,230,730, as further disclosed in Note 21 to the financial statements. The balance includes general creditors totalling Kshs.1,486,153,958 out of which Kshs.998,120,842 is unpaid interest on the loan outstanding since 2013. No satisfactory explanation has been provided on why the interest had not been paid. In addition, the accuracy and completeness of the interest balance could not be confirmed in the absence of matching records from the lender.

8.0 Property, Plant and Equipment

8.1 Miscellaneous Discrepancies

The statement of financial position reflects property, plant and equipment balance totalling Kshs.4,307,346,037 as at 30 June, 2020: However, the following anomalies were noted in respect to the balance.

- i. Some assets of undisclosed value transferred to the Agency by the Ministry of Water and Irrigation, and National Water Conservation and Pipeline Corporation through Legal Notice No.101 of 12 August, 2005 have been excluded from the financial statements.
- ii. Similarly, the financial statements and the fixed assets register do not include land and office buildings acquired while undertaking various Water and Sanitation Services Improvement Project (WaSSIP) activities and institutional projects. The assets include land measuring 53.79 hectares for Mkanda Dam acquired at a cost of Kshs.10,832,423.
- iii. A Management report on the status of the Agency's land indicated that more than one-third (1/3) of the land, including 22 acres with staff houses in Shanzu, Mombasa, had been encroached on by private developers. The land had been apportioned into 42 title-deeds and issued to private parties.

- iv. The Agency had eighty-nine (89) motor vehicles and one hundred and twenty-eight (128) motor cycles as of 30 June, 2020. However, thirty-six (36) motor vehicles and thirty-nine (39) motor cycles were not recorded in the assets register.
- v. The property, plant and equipment balance totalling Kshs.4,307,346,037 as at 30 June, 2020 excludes a piece of land valued at Kshs.150,000 that was included in the financial statements for the previous year. No record of its disposal or loss was provided for audit.

8.2 Excluded Land in Bamburi- Kiembeni Area

The property, plant and equipment balance totalling Kshs.4,307,346,037 excludes two pieces of land namely LR No. 12270 and LR.No.12273 in Bamburi- Kiembeni area valued at Kshs.3,000,000 which were acquired for laying of water supply pipes under Mombasa Lot 2 Project. Further, title deeds for the two parcels of land indicated they were owned by private parties. Management has not explained why their ownership was not transferred to the Agency.

In addition, the two parcels of land have not been included in the assets register contrary to Regulation, 143(2) of the Public Finance Management (National Government) Regulations, 2015. The provision provides that each public entity's register of land should record each owned parcel of land and the terms on which it is held with reference to conveyance and address area among other data.

In view of these issues, the valuation and, ownership of the property, plant and equipment, balance totalling Kshs.4,307,346,037 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

9.0 Intangible Assets

9.1 Unrecognized and Excluded Intangible Assets

During the year under review, the Agency acquired software and computer applications as well as a website through various contracts as indicated in the Appendix to this report. However, the values of the intangible assets were not included in the financial statements for the year. As a result, the completeness and accuracy of the total assets balance amounting to Kshs.16,341,340,788 as at 30 June, 2020 may not be fairly stated.

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

Key Audit Matters

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

Other Matter

1.1 Budgetary Control and Performance

1.2 Revenue Budget

During the year under review, the Agency's revenue budget was Kshs.1,682,000,000 against actual collections totalling Kshs.1,983,079,970, resulting in a net over-collection of Kshs.301,079,970 or 18% of the budget as detailed below:

Detail	Budgeted Amount (Kshs.)	Actual Amount (Kshs.)	Over Collection (Kshs.)	% Over-Collection
Rendering Services	738,200,000	849,760,568	111,560,568	15
Government Grants and Subsidies	938,800,000	1,121,131,699	182,331,698	19
Other Income	5,000,000	12,187,703	7,187,703	144
Total	1,682,000,000	1,983,079,970	301,079,969	18

1.3 Expenditure Budget

The statement of comparison of budget and actual amounts indicates that , the Agency had budgeted to spend Kshs.1,675,732,051 on its various programs and activities. However, expenditure for the year totalled Kshs.1,642,315,399, resulting in under-expenditure of Kshs.33,416,652 or 2% as summarized below:

Item	Budgeted Amount (Kshs)	Actual Amount (Kshs)	Under/ (Over)-expenditure (Kshs)	Under/ (Over)-expenditure in (%)
1 Administration Expense	310,727,100	304,337,029	6,390,071	2
2 Board Expenses	29,565,700	28,666,892	898,808	3
3 Staff Costs	214,411,000	206,338,752	8,072,248	4
4 General Expenses	72,565,300	22,662,377	49,902,923	69
5 Operational Expenses	571,166,900	604,383,970	(33,217,070)	6
6 Project Costs	414,529,792	414,529,792		
7 Finance Costs	62,766,259	61,396,587	1,369,672	2
Total	1,675,732,051	1,642,315,399	33,416,652	2

The Agency had budgeted to spend Kshs.571,166,900 on operational expenses but spent Kshs.604,383,970, resulting in over-expenditure of Kshs.33,217,070 or 6%. However, Management did not provide for audit review a revised budget to confirm approval of the over expenditure which may denote lack of proper budgetary planning and execution.

2.0 Prior Year Issues

The audit report for the previous year raised several unsatisfactory issues on balances reflected in the financial statements, on lawfulness and effectiveness in the use of public resources, and effectiveness of internal controls, risk management and governance. Management's report on progress made in resolving the issues at Appendix I of the financial statements for the year under review has indicated that some of the issues had since been resolved and work on resolution of the remainder was ongoing as at 30 June, 2020. The status of all the issues will be confirmed after they are discussed by the Legislature.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Non-Revenue Water

The statement of financial performance for the year ended 30 June, 2020 reflects water sales totalling Kshs.849,760,568. Included in the balance are bulk water sales totalling Kshs.733,194,908 as disclosed in Note 6 to the financial statements.

The report of the Chief Executive Officer included in the annual report accompanying the financial statements indicates that water production in the year under review totalled 43,637,714 cubic meters, out of which 36,980,281M³ was billed to customers during the year under review. The balance totalling 6,657,433 M³ or approximately 15.26% of the output was denoted as Non-Revenue Water (NRW).

The NRW totalling Kshs.6,657,343 m³ cubic meters may have resulted in loss of revenue estimated at Kshs.133,148,600 at the Agency's charge rate of Kshs.20 as per cubic meter applied on sales to Water Service Providers. The significant level of NRW is a risk to sustainability of the Agency's operations.

Management has not indicated the measures taken, or plans drawn, to minimize the NRW.

2.0 Irregular Procurement of Construction Works

Examination of expenditure records indicated that the Agency spent Kshs.11,170,200 on rehabilitation of Mkang'ombe Dam in the year under review.

Management used Restricted Tender Method to select ten (10) firms which, however, were not in the list of prequalified suppliers. The appointments were contrary to Regulation 54(3) of the Public Procurement and Disposal Regulations, 2006 which provides that where restricted tendering is used pursuant to Section 73(2)(b) of the Act, the procuring entity shall invite tenders from at least ten persons selected from the list of pre-qualified suppliers maintained under Regulation 8(3a).

In view of the failure to observe the law, the expenditure totalling Kshs.11,170,200 was irregular and may not have been incurred in an economic way.

3.0 Failure to Recover Imprests

Disclosed in Note 17 to the financial statements under trade and other payables are outstanding staff imprests totalling Kshs.2,134,700 which were overdue as at 30 June, 2020. This was contrary to regulation 93(5) of the Public Financial Management (National Government) Regulations, 2015 which requires a holder of a temporary imprest to account or surrender the imprest within seven (7) days after returning to duty station

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 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 processes and systems of internal control, risk management and overall governance

were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Directors

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

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

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

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

The Board of Directors is responsible for overseeing the Agency's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 Agency 's policies and procedures may deteriorate.

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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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

11 February, 2022

Appendix
Unrecognized Intangible Assets

Description and Purpose of the Application	Modules / Subsystems Included	Modules / Subsystems Included	
Quick Pay Software	KCB Application for making salary payments.	Web Module	Yes, with Microsoft Dynamics GP
Microsoft FRx	Financial Reporting software	Report Designer, Report Launcher, Drill Down Viewer, Report Manager, Report Server, Web Port, Currency Translation	Yes, with Microsoft Dynamics GP
Microsoft Dynamics GP Version 2018	Accounting package	Cash Module, Inventory Module, Payment Module, Receipts Module	N/A
Fast Pay Application	Payroll	Payroll Module	Yes, with Microsoft Dynamics GP.
Smart Billing Manager (SBM)	Billing Software (has been in use for four years)	Receipts Module, Billing Module	
MDAENON	Email server	Email Server, Email Security, Email Encryption, Email Archiving, Mobile Device Management, Remote Administration, World Client (Web based Email), World Client (Instant Messenger), Exchange Migration	N/A

COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**STATEMENT OF FINANCIAL PERFORMANCE**
For the Year ended 30th June 2020

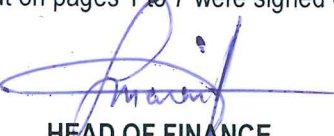
Description	Notes	2020	2019
		Kshs.	Kshs.
Revenue from non-Exchange Transactions			
Grants	7	1,121,131,698	1,332,282,346
		1,121,131,698	1,332,282,346
Revenue from Exchange Transactions			
Operational Income	6	849,760,568	835,219,773
Other Incomes	8	12,187,704	9,785,796
TOTAL REVENUE		861,948,272	845,005,569

EXPENDITURE			
Use of Goods and Services	9	304,337,030	311,041,172
Remuneration of Directors	10	28,666,892	15,392,600
Employees costs	11	206,338,752	205,116,602
General Expenses	12	22,662,377	24,286,985
Operational Expenses	13	604,383,970	561,685,846
Project Costs	14	414,529,792	707,945,235
Finance Costs	15	61,396,587	114,335,040
TOTAL EXPENDITURE		1,642,315,340	1,939,803,481
Surplus/(Loss)before Tax		340,764,570	237,484,434

COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**STATEMENT OF FINANCIAL POSITION**
As at 30th June 2020

ASSETS	Note	2020 Kshs	2019 Kshs
CURRENT ASSETS			
Inventories	16	13,803,548	2,978,192
Trade and Other Receivables	17	4,101,329,864	3,621,629,912
Cash and Bank Balances	18	378,970,392	334,303,388
TOTAL CURRENT ASSETS		4,494,103,803	3,958,911,492
NON CURRENT ASSETS			
Property, Plant and Equipment	19	4,307,346,036	2,564,857,929
Work in Progress	20	7,539,890,948	8,182,203,862
TOTAL NON CURRENT ASSETS		11,847,236,984	10,747,061,791
TOTAL ASSETS		16,341,340,788	14,705,973,284
CURRENT LIABILITIES			
Trade and other Payables	21	1,493,230,730	1,343,329,059
TOTAL CURRENT LIABILITIES		1,493,230,730	1,343,329,059
NON-CURRENT LIABILITIES			
World Bank Loan	22	12,627,431,099	11,482,729,838
TOTAL NON CURRENT LIABILITIES		12,627,431,099	11,482,729,838
TOTAL LIABILITIES		14,120,661,830	12,826,058,897
NET ASSETS		2,220,678,958	1,879,914,387
ACCUMULATED SURPLUS		2,220,678,958	1,879,914,387
TOTAL NET ASSETS AND LIABILITIES		2,220,678,958	1,879,914,387

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


CHIEF EXECUTIVE OFFICER
MR. JACOB TORUTT
HEAD OF FINANCE
STEPHEN M. KIVUVA
ICPAK.NO.13560
CHAIRMAN OF THE BOARD
MR. OMAR IDD BOGA

Date.....19/3/2021

Date.....15/3/2021

Date.....15/3/2021

COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**STATEMENT OF CASH FLOWS**
For the year ended 30 June 2020

	2019-2020	2018-2019
	Kshs	Kshs
Cash flows from operating activities		
Receipts		
Operational Income	370,060,619	582,614,900
Grants	1,121,131,698	1,332,282,346
Other Incomes	12,187,703	9,785,796
Total Receipts	1,503,380,020	1,924,683,042
Payments		
Compensation of employees	206,338,752	205,116,602
Goods and services	146,001,859	167,460,306
Remuneration of Directors	28,666,892	15,392,600
General Expenses	22,662,377	24,286,985
Operational Expenses	535,611,831	560,824,047
Project Costs	405,622,204	679,701,886
Finance Costs	0	0
Total Payments	1,344,903,915	1,652,782,426
Net cash flows from operating activities	158,476,105	271,900,616
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	(1,900,823,278)	(6,256,668)
Proceeds from sale of property, plant and Equipment	0	0
Decrease in non-current receivables	0	0
Increase in investments	642,312,914	(735,602,937)
Net cash flows used in investing activities	(1,258,510,364)	(741,859,605)
Cash flows from financing activities		
Proceeds from borrowings	1,144,701,262	18,472,828
Repayment of borrowings	0	0
Increase in deposits	0	0
Net cash flows used in financing activities	1,144,701,262	18,472,828
Net increase/(decrease) in cash and cash equivalents	44,667,003	(451,486,161)
	334,303,388	785,789,550
Cash and cash equivalents at 1 JULY 2020	378,970,391	334,303,389
Cash and cash equivalents at 30 JUNE 2020	378,970,392	334,303,388

COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended 30 June 2020

Attributable to the owners of the controlling entity

	Accumulated surplus	Reserves Total
	Kshs	Kshs
Balance as at 30.6.2019	1,642,429,953	1,642,429,953
Surplus for the period	237,484,434	237,484,434
Balance as at 1.7.2019	1,879,914,387	1,879,914,387
Surplus for the period	340,764,570	340,764,570
Balance as at 30.6.2020	2,220,678,958	2,220,678,958

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

Statement of Comparison of Budget and Actual Amounts for the Year Ended 30.6.2020

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Percentage Utilization
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Government grants and subsidies	938,800,000	-	938,800,000	1,121,131,699	119%
Rendering of services	600,000,000	138,200,000	738,200,000	849,760,568	115%
Gains on disposal, rental income and agency fees	5,000,000	-	5,000,000	12,187,703	24%
Total Income	1,543,800,000	138,200,000	1,682,000,000	1,983,079,970	118%
Expenses					
Use of Goods and Services	301,750,000	8,977,100	310,727,100	304,337,029	98%
Remuneration of Directors	30,000,000	2,590,700	29,565,700	28,666,892	97%
Employees Costs	213,561,000	850,000	214,411,000	206,338,752	96%
General Expenses	70,024,000	2,541,300	72,565,300	22,662,377	31%
Operational Expenses	384,660,000	186,506,900	571,166,900	604,383,970	106%
Project Costs	414,529,792	-	414,529,792	414,529,792	100%
Finance Costs	62,766,259	-	62,766,259	61,396,587	98%
Total	1,477,291,051	201,466,000	1,675,732,051	1,643,685,071	98%
Surplus for the period	66,508,949	-63,266,000	6,267,949	339,394,899	

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

NOTES

Income positive Variance is a positive indication that the Agency has generated more revenue than was budgeted.

Use of Goods and Services

The negative variance is an indication that the costs were within the budgeted amounts for the year and that there were budget overruns

Remuneration of Directors

Remuneration to the Board was kshs. 28,666,892 including honoraria to the Chairman

Employees Costs

Compensation to Employees was within the set budget of the Agency and this included payment for pension deductions

General Expenses

This expenditure caters for operational expenses of running the offices and includes office electricity among others.

The expenditure was within the set budget for the year under review

Operations Expenses

The positive position is attributed to power cost for our baricho pumping station which has been on an increasing trend due to fuel adjustment levies which are beyond our control and is determined on a monthly basis.

Project Costs

This are fully budgeted for at inception thus the issue of budget overruns is overtaken

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CWWDA was initially established under water Act 2002 and registered as Coast Water Services Board. Following the adoption of the water Act 2016 in the water sector, CWWDA changed its name to CWWDA as per the guidelines. CWWDA is wholly owned by the Government of Kenya and is domiciled in Kenya. CWWDA's principal activity is to ensure efficient, effective and sustainable provision of quality and affordable water services (defined to include sewerage) in its area of jurisdiction - Mombasa County, Taita Taveta County, Kilifi County, Kwale County, Lamu County and Tana River County.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Coast Water Services Board's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of CWWDA.

The financial statements have been prepared on the basis of historical cost. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020.

Standard	Impact
IPSAS 33: First time adoption of Accrual Basis IPSAS	CWWDA adopted IPSAS in the year ended 30.6.2014 and therefore provision of first time adoption of accrual basis does not apply
IPSAS:34 Separate Financial statement	The Agency does not have any subsidiaries , joint ventures or investments and therefore the standard does not apply
IPSAS:35 Consolidate Financial Statements	The Agency does not have any subsidiaries , joint ventures or investments and therefore the standard does not apply
IPSAS:36 Investment in Associates and Joint Ventures	The Agency does not have investments in associates or joint ventures
IPSAS:37 Joint Arrangements	The Agency does not have an interest in a joint arrangement and therefore the standard does not apply
IPSAS:38 Disclosure of interest in other Entities	The Agency does not have interest in other entities and therefore the standard does not apply

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

ii) New Standards and Interpretation in use issue but not yet effective in Year Ended 30 June 2020

Standard	Effective date and impact
IPSAS 39: Employee Benefits	Applicable ;1 January 2018 IPSAS 39 was to create convergence to changes in IAS 19. Employees benefits. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefits scheme by doing away with the corridor approach.
IPSAS 40: Public Sector Combinations	Applicable 1 January 2019 Covers public combinations arising from exchange transactions in case they are treated similarly with IFRS 3 Business combinations and combinations arising from non – exchange transactions which are covered purely under Public Sector combinations as amalgamations.

iii) Early adoption of standards

Coast Water Works Development Agency did not adopt any new or amended standards in year 2020.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

Revenues from lease fees and miscellaneous income have been recognized as exchange transactions. Grants for the donors and Government of Kenya have been recognized as non-exchange transactions. Lease fees Income is recognized in the year in which it is due. A grant from the Government of Kenya and other donors for specific expenses is recognized as income in the period it is received and it is not accrued.

b) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

c) Property, plant and equipment

Property, Plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the reducing balance basis to write down the cost of each asset to its residual value over its estimated useful life as follows;

Equipment	12.5%
Furniture, Fittings	12.5%
Computers	33.3%
Water Infrastructure	2.5%
Motor Vehicles and Cycles	25%

d) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by First in first out (FIFO) method. Net realizable value is the estimate of the selling price in the ordinary course of business less the selling expense. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

e) Provisions

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

f) Contingent liabilities

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

g) 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.

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

i) Changes in accounting policies and estimates

The Agency recognizes the effects of changes in accounting policy prospectively.

j) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

k) Borrowing costs

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

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

m) Taxation

Coast Water Works Development Agency is a non-commercial state corporation in the provision of essential services. No provision for taxation has not been made.

5. Critical Accounting Estimates, Judgments and Assumptions

In the process of applying the Board's accounting policies, the directors have made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and underlying assumptions are reviewed on an ongoing basis.

COAST WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

(a) Critical Judgments in applying the agency's Accounting Policies

In the process of applying the agency's accounting policies, judgments have been made in determining: -

- Whether the assets are impaired;
- The classification of financial assets;
- The going concern.

(b) Critical Accounting Estimates and Assumptions

The key areas of judgments and sources of uncertainty in estimation are as set out below:

(i) Useful lives of property and Equipment

The directors make estimates in determining depreciation rates for property and equipment. The rates are set out in the accounting policy (g) above for property and equipment.

The agency reviews the estimated useful lives of plant and equipment at the end of each reporting period. During the financial year, no changes to the useful lives were identified by the board of directors.

(ii) Provision for Doubtful Debts

The agency reviews its current assets portfolio to assess the likelihood of impairment. Provision for impairment of receivables is established when there is objective evidence that the agency will not be able to collect all amounts due. Where necessary an estimation of the amounts irrecoverable is made in that year. Provision for impairment shall be recognized upon approval by the Board of Directors. No provision of bad debts were made in respect to the year under review.

NOTE 6 Operational Income

The Agency's major sources of revenues are the water sales which are earned from the sale of bulk water to the WSPs and administrative fees that is earned from the lease of its assets to them.

During the year, revenue was earned as follows.

	2020	2019
	Kshs.	Kshs.
Bulky Water Sales	733,194,908	697,863,700
Administrative Fees	116,565,660	137,356,073
Total	849,760,568	835,219,773

COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

Month	Mombasa	Malindi	Kilifi	Kwale	Tavevo	Lamu	Tana River	TOTAL
Jul-19	24,667,762	10,749,312	19,996,026	8,686,746	7,390,861	135,407	72,000	71,698,115
Aug-19	22,233,333	7,780,164	21,407,486	8,640,746	7,221,101	135,407	72,000	67,490,238
Sep-19	20,236,993	10,737,932	20,811,876	9,421,726	7,352,681	135,407	72,000	68,768,616
Oct-19	29,269,133	10,755,172	18,168,046	8,225,686	7,044,181	135,407	72,000	73,669,626
Nov-19	25,937,553	10,731,397	17,779,226	7,408,066	6,596,101	135,407	72,000	68,659,751
Dec-19	24,152,633	11,548,343	19,397,987	9,530,707	6,772,402	135,407	72,000	71,609,480
Jan-20	27,533,153	11,014,892	23,015,887	8,850,508	6,657,963	135,407	72,000	77,279,811
Feb-20	23,636,473	10,964,452	18,501,027	8,998,969	6,385,444	135,407	72,000	68,693,773
Mar-20	19,924,993	10,937,032	17,749,427	7,893,729	5,959,144	135,407	72,000	62,671,733
Apr-20	24,658,293	11,043,572	19,024,527	8,679,369	6,205,584	135,407	72,000	69,818,753
May-20	25,926,933	10,904,012	19,751,387	8,128,189	6,082,104	135,407	72,000	71,000,033
Jun-20	25,990,733	11,217,692	22,502,607	11,527,289	6,955,004	135,407	72,000	78,400,733
TOTAL	294,167,989	128,383,975	238,105,506	105,991,732	80,622,565	1,624,889	864,000	849,760,568

NOTE 7**Grants**

	2020	2019
	Kshs	Kshs
Grants	1,121,131,698	1,332,282,346
TOTAL	1,121,131,698	1,332,282,346

Grants are recognized in the books when they are actually received and they are not accrued. During the Financial year, grants were received as follows.

COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

Type Of Grant	AMOUNT	AMOUNT
	2020	2019
GOK Development	662,331,700	697,863,700
GOK Recurrent	458,799,998	137,356,073
Total	1,121,131,698	835,219,773

NOTE 8**Other Income**

The agency earned other income from various sources as summarized below. The main source of other income was the sale of water by bowser (69%) followed by rent from various sources at 10%.

DETAILS	AMOUNT	AMOUNT
	2020	2019
Rent Received	453,500	711,566
Sale of water to CBOs	2,934,610	2,441,000
laboratory charges	357,000	575,000
Sale of water by bowser	8,442,593	6,058,230
Total other income	12,187,703	9,785,796

COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**NOTE 9**

Use of Goods and Services	2020	2019
	Kshs	Kshs
Telephone, Fax, Internet, Courier & Email	3,361,423	3,823,352
Travelling and accommodation- local	36,194,088	54,602,044
Travelling & accommodation foreign	3,784,730	2,206,700
Overtime Allowance	0	2,651,104
Subscription to newspaper & magazine	0	95,420
Advertising & Publicity	3,132,073	9,437,452
Trade show and Exhibition	5,696,581	7,660,120
World Bank Operations	0	0
World Water Day	0	245,000
Hire of transport equipment & machinery	155,000	632,320
General office supplies	7,297,474	4,691,781
Laboratory expenses	2,069,896	487,610
Hospitality	1,677,548	2,870,598
Donations	0	90,000
Fuel & Lubricant	7,771,554	7,909,065
Legal fees & related expenses	11,529,802	32,052,613
Bank charges	274,173	385,483
Contracted professional services	9,847,440	7,433,925
Monitoring and Evaluation	28,261,597	18,673,558
Audit fees	0	1,172,760
Maintenance expenses – vehicles	10,224,862	5,970,492
Maintenance of office furniture & equipment	1,583,650	1,541,739
Maintenance of buildings & stations	4,022,986	2,177,187
Baricho Clinic Expense	0	274,440
Stationery office	955,020	375,542
Covid -19 Expense	8,161,960	0
Depreciation	158,335,171	143,580,866
TOTAL	304,337,030	311,041,172

COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**NOTE 10**

Remuneration of Directors	2020	2019
	Kshs	Kshs
Board Allowances	27,992,641	14,718,993
Honoraria	674,250	673,607
TOTAL	28,666,891	15,392,600

NOTE 11

Employees Costs	2020	2019
	Kshs	Kshs
Salaries and Wages	181,456,005	188,176,983
Staff Leave Allowance	2,553,226	2,656,757
Other Staff Allowances	10,393,971	5,258,010
Staff Training	2,782,643	6,460,916
Gratuity	9,152,905	2,563,936
Total	206,338,752	205,116,602

NOTE 12

General Expenses	2020	2019
	Kshs	Kshs
Office Electricity	850,809	683,364
Motor Vehicles Insurance	5,783,968	1,375,575
Resettlement compensation	0	6,478,445
Security Expense	16,027,599	15,749,600
Total	22,662,376	24,286,985

COAST WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

NOTE 13

Operating Expenses	2020	2019
	Kshs	Kshs
Electricity	448,155,747	411,494,182
Water Use Charges	22,287,038	21,122,838
Baricho Emergency Repairs	40,938,713	47,010,707
Cost of Specialized Materials	28,395,785	17,804,442
Maintenance of Water Assets	64,606,687	64,253,678
Total	604,383,970	561,685,846

NOTE 14

Project Costs	2020	2019
	Kshs	Kshs
Lamu Projects	58,659,354	18,571,757
Small dams and Pans	70,248,057	0
Mkanda Dam	0	6,351,896
Drought mitigation	94,671,224	86,948,547
Equalization	64,545,020	551,073,056
Water For Schools	14,031,547	17,896,192
Unicef Activities	0	122,105
Taita Projects	7,418,500	2,463,600
SGR Project	557,872	0
Priority Projects	880,718	4,632,832
Kwale Projects	19,005,571	19,885,250
Dongo Kundu	84,511,926	0
Total	414,529,791	707,945,235

COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**NOTE 15**

Finance Cost	2020	2019
	Kshs	Kshs
Financing cost	61,396,587	114,335,040

NOTE 16

	2020	2019
Inventories	Kshs.	Kshs.
Machinery, Pipes and Fittings	8,423,000	1,158,900
Chemicals	4,834,972	651,000
Stationery	545,575	1,168,292
Total	13,803,547	2,978,192

NOTE 17

	2020	2019
	Kshs	Kshs
Trade and Other Receivables		
Mombasa Water and Sewerage Company Ltd	1,525,422,723	1,381,172,144
Malindi Water and Sewerage Company Ltd	571,809,922	531,332,877
Kilifi Mariakani Water and Sewerage Ltd	799,193,306	658,879,187
Kwale Water and Sewerage Company Ltd	603,711,593	500,719,880
Taveta Water and Sewerage Company Ltd	577,184,279	529,211,732
Lamu Water and Sewerage Company Ltd	14,736,740	13,111,856
Tana Water and Sewerage Company	2,592,000	1,728,000
Salary Advances	2,978,493	2,338,774
Prepaid Medical Cover	753,696	0
Prepaid Motor Insurance	812,412	0
Staff Imprest	2,134,700	877,022
Provision for Debts	0	2,258,440
TOTAL	4,101,329,864	3,621,629,912

COAST WATER WORKS DEVELOPMENT AGENCYANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**NOTE 18**

Cash and Cash Equivalent	2020 Kshs	2019 Kshs
Development	448,689	330,475
Loan repayment	22,593	651,561
Projects	240,978,488	102,982,278
Drought Mitigation	17,715,364	91,183,345
Administration Fees	735,552	1,962,791
World Bank – AF	95,146	4,778,312
Bulk	17,136,450	76,140,837
Equalization	41,201,758	56,267,196
World Bank WSDP	50,771,863	0
AFD	9,854,640	0
KCB KISSIP	9,844	6,592
Total	378,970,392	334,303,388

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NOTE 19 Property, Plant and Equipment

	Motor Vehicles	Computers	Office Equipment	Furniture and Fittings	Water Equipment	Water Infrastructure	Land	Total
As at 30.6.2016	262,030,492	38,458,621	36,824,357	17,685,461	386,093,556	1,080,172,125	150,000	1,821,414,612
Additions		907,860	629,800		52,010,710		150,000	
As at 30.6.2017	262,030,492	39,366,481	37,454,157	17,685,461	438,104,266	2,704,853,149		3,499,644,006
Additions		1,827,809	676,000	52,432	7,265,466			9,821,707
As at 30.6.2018	262,030,492	41,194,290	38,130,157	17,737,893	445,369,732	2,704,853,149	150,000	3,509,465,713
Additions			859,370	513,800	4,892,499			6,256,669
As at 30.6.2019	262,030,492	41,191,290	38,989,527	18,251,693	450,115,231	2,704,853,149		3,515,581,382
Additions		11,641,811	197,580	315,000		1,888,668,887		1,900,823,278
As at 30.6.2020	262,030,492	52,833,101	39,187,107	18,566,693	450,115,231	4,593,522,036		5,416,404,660
Depreciation								
As at 1.7.2016	88,667,306	30,855,535	11,866,594	7,816,325	162,999,679	27,004,303		329,209,742
Charge for the year	53,020,548	6,736,627	4,862,675	1,435,388	42,697,537	27,004,303		135,757,078
As at 30.6.2016	141,687,854	37,592,162	16,729,269	9,251,713	205,697,216	54,008,606		464,966,820
Charge for the year	48,484,298	734,254	4,843,988	1,435,387	49,053,764	67,621,329		172,173,020
As at 30.6.2017	190,172,152	38,326,416	21,573,257	10,687,100	254,750,980	121,629,935		637,139,840
Charge for the Year	47,284,770	1,098,987	4,092,051	692,890	49,353,720	67,621,329		170,143,747
As at 30.6.2018	237,456,922	39,425,403	25,665,308	11,379,990	304,104,700	189,251,264		807,283,586
Charge for year	24,573,570	667,353	4,147,014	721,928	45,849,662	67,621,329		143,580,856
Net book Value	262,030,492	40,092,756	29,812,321	12,101,918	349,813,372	256,872,593		950,723,452
Charge for year 2020	0	4,305,197	4,147,014	763,553	34,281,356	114,838,051		158,335,171
Net book Value	262,030,492	44,397,953	33,959,335	12,865,471	384,094,728	371,710,644		1,109,058,623
As at 30.6.2016	120,342,638	866,459	20,095,088	8,433,748	180,396,340	1,026,163,519		
As at 30.6.2017	71,858,340	1,040,065	15,880,900	6,998,361	183,353,286	2,583,223,214	150,000	2,862,504,166
As at 30.6.2018	24,573,570	1,768,887	12,464,849	6,357,903	141,265,032	2,515,601,885	150,000	2,702,032,126
As at 30.6.2019		1,101,534	9,177,205	6,149,775	100,298,860	2,447,980,556	150,000	2,564,857,929
As at 30.6.2020	-	8,435,148	5,227,772	5,701,222	66,020,503	4,221,811,392	-	4,307,346,037

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	2020	2019
Work In Progress	Kshs.	Kshs.
Balance b/f	8,182,203,862	7,446,600,926
World Bank Informal	0	0
World Bank – wsp	51,411,823	4,667,133
World Bank – Bulky	0	27,831,458
World Bank – Drought	28,582,868	96,025,880
World Bank –Capital Works	0	20,230,005
World Bank wip Baricho	24,726,648	126,541,227
World Bank wip msa lot .2	0	67,302,594
World Bank Taveta	0	1,469,076
World Bank Sewarage	20,317,490	41,807,729
World Bank Kibokoni	0	16,875,262
World Bank Bura	0	11,972,182
World Bank Wajir Dadaab	0	26,444,137
World Bank Baricho Lot 3	912,287,373	294,436,253
World Bank Baricho 3BHS	209,029,768	0
Transfer to Water Infrastructure	(1,888,668,887)	0
Total	7,539,890,948	8,182,203,862

NOTE 21

Trade and Other Payables	2020	2019
	Kshs	Kshs
General Creditors	1,486,153,958	1,334,654,408
Audit Fees payable	2,867,522	1,433,761
Paymaster General (June 2020)	85,765	4,349,794
Ukulima and Other Deductions	4,123,485	0
SGR –Project funds	0	2,891,096
TOTAL	1,493,230,730	1,343,329,059

NOTE 22

	2020	2019
World Bank Loan	Kshs	Kshs
Balance B/F	11,482,729,837	11,464,257,010
Disbursements	1,144,701,262	18,472,827
Disbursement Direct	0	0
TOTAL	12,627,431,099	11,482,729,837

Financial Risk Management

Financial Risk Management Objectives and Policies

CWWDA considers risk management to be an integral part of good management practices and a significant aspect of corporate governance. Effective management of risk will contribute towards achievement of the agency's objectives.

The Agency's approach to risk management is based on risk governance structures, risk management policies, risk identification, measurement, monitoring and reporting. The risk management policies and systems are reviewed regularly to ensure they are in tandem with the micro and macro environment, regulatory guidelines, industry practice, market conditions as well as the services offered.

This risk management framework captures the following among other things:-

- The Agency's risk appetite and parameters;
- The Agency's risk matrix that highlights the rating of risks;

The structure of managing risks and accountabilities;

- The processes, procedures and reports that manage risks;
- The mitigating factors, prevention, contingency plans and controls.

The Agency's core business involves major engagements with financial transactions and processes which pose certain risks. Three types of risks are reported as part of the risk profile namely operational, strategic and business continuity risks.

i) Operational risks are events, hazards, variances or opportunities which could influence the achievement of the Agency's compliance and operational objectives.

ii) Strategic risk is a significant unexpected or unpredictable change or outcome beyond what was factored into the organization's strategy and business model which could have an impact on the entity's performance.

iii) Business continuity risks are those events, hazards, variances and opportunities which could influence the continuity of the entity.

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One of the key risks the agency has identified in both the operational and strategic areas is the sustainability of the administrative fee receivable in the provisions of the Water Act 2016 Financial risk as defined in IPSAS 15 and the management thereof, form part of this risk area.

The financial management objectives and policies are as outlined below:-

(a) Liquidity Risk

Liquidity risk is the risk that the Agency will not have sufficient financial resources to meet its obligations when they fall due or will have to do so at excessive costs. This risk can arise from mismatches in the timing of cash flows from revenue and capital/operational outflows, assets and liabilities according to their maturity profiles and can occur where cash flow streams have been discontinued, etc.

The objective of the liquidity and funding management is to ensure that all foreseeable operational, capital and loan commitment expenditure can be met under both normal and stressed conditions and the mismatch is controlled in line with allowable risk levels. The agency has adopted an overall balance sheet approach which consolidates all sources and utilization of liquidity, with the aim of maintaining a balance between liquidity, cash flows and interest rate considerations.

The agency's liquidity and funding management process includes:-

- Projecting cash flows and considering the cash required and optimizing the short term requirements as well as the long term funding,
- Maintaining balance sheet liquidity ratios,
- Maintaining/soliciting for a diverse range of funding sources with adequate back up facilities,
- Managing the concentration and profile of debt maturities, where applicable,
- Maintaining liquidity and funding contingency plans.

(b) Market Risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates, prices and interest rates. The objective of market risk management policy is to protect and enhance the Statements of Financial Position and performance by managing and controlling market risk exposures within acceptable parameters, and to optimize the funding of business operations and facilitate capital expansion. CWWDA is exposed to the following market risks:-

(i) Currency Risk

The currency risk is minimal as most of cash and cash equivalents held with banks are dominated in Kenya Shillings.

(ii) Price Risk

The revenue source for CWWDA is the administrative levy which is denominated in Kenya Shillings. The exposure arises where the contract prices are denominated in foreign currencies for the development funded projects. This is mitigated by enforcing direct payments so as to reduce the exposure. Price risk is therefore rated as minimal.

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(iii) Interest Rate Risk

The Agency's financial condition may be adversely affected as a result of changes in interest rate levels. The interest rate risk is minimal as the Agency does not have any borrowings.

(c) Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Agency's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as legal and regulatory requirements and generally acceptable standards of corporate behavior. The agency will endeavor to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor and report such risks.

Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. Being a public entity CWWDA has related parties in this regard and operates under the national Government and Board of Directors.

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APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR GENERAL RECOMMENDATIONS

CWWDA has been audited up to 30th June 2018. The following audit issues were outstanding as at this date. Many of the issues have been outstanding for some years now and they therefore appear in our reports each year. The main challenge in dealing with most of the issues is that they are expected to be addressed by other Government agencies and not entirely by CWWDA.

Ref No	Reference no. on the external audit report	Issue/observation from the auditor	Management comments	Action point	Status as at 30 th June 2020	Expected completion date
1	Property plant & equipment	Assets without ownership documents	These are assets were transferred to the entity without transfer/ownership documents	CWWDA & Parent Ministry	CWWDA has formed a task force that is working with the parent ministry to resolve the matter. The matter has also been discussed by the Public Investment Committee(PIC)	30 th June 2021
1	Property plant & equipment	Assets not recorded in the books	The assets being referred to are community assets (land) which are donated by the community to develop water assets	CWWDA & Respective county governments	A task force by CWWDA was dealing with the matter.	30 th June 2021
2	World bank loan	The balances were not reconciling with the figures at the National Treasury records.	CWWDA has already initiated reconciliations.	CWWDA-Finance Manager	The matter was still pending	30 th June 2021
3	Trade and other receivables	Receivables that have been outstanding for long period	CWWDA has already initiated reconciliations and also contracted a debt collector to assist the debts.	CWWDA CEO Finance Manager & legal officer	The matter was still pending with consultations going on.	30 th June 2021
3	Trade and other receivables	Balances that are not in agreement with the records of the WSPs	Teams from both parties have been formed to reconcile the balances.	CWWDA-CEO & Finance Manager	The matter was still pending with consultations going on.	30 th June 2021
4	Finance costs	Loan amortization schedule not in agreement with the finance costs	The amount in the financial statement was not in agreement with the amortization	CWWDA-Finance Manager	Reconciliation is ongoing.	31 st December 2021

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			schedule.			
5	Administration expenses	The depreciation amount was not accurate	straight line method was applied instead of the reducing balance method as per the policy	CWWDA-Finance Manager	Resolved	-
1.1	Budgetary control & performance	Actual revenue was higher than what was in the budget	The difference was due to the GOK grants which were received outstanding the initial budget	CWWDA-CEO & Finance Manager	Resolved	
1.2	Budgetary control & performance	Expenditure budget	This was due to budget reduction as well poor payments for the water sale bills. There were cases that involved urgent matters.	CWWDA-CEO & Finance Manager	Resolved	
1.3	Board expenses	Non gazetted board members were paid allowances.	These were members who represented other state agencies on behalf of the gazetted members.	CWWDA CEO and legal officer	Resolved	
1.4	Non-revenue water	The level of non-revenue water was too high as compared to the international standards.	The high incidences of vandalism of water assets has contributed to this status and also the ageing water infrastructure which results to frequent bursts.	CWWDA CEO, Technical and Bulk unit managers.	This requires continuous attention and is therefore on going.	2022

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APPENDIX II: PROJECTS IMPLEMENTED BY THE AGENCY

During the period under review, the agency implemented projects as follows.

No	Project Title	Source of Funds	Estimated Value of the Project(Kshs.)	FY 2019-2020 (Ksh)		Status of the Project/Perc entage of Completion	Remarks/Challenges faced in Implementing projects
				Total Disbursements	Actual Expenditure		
1	Water and Sanitation Services Improvement Project-Additional Funding WaSSIP	World Bank	9.0 Bn	8,827,068,379	8,826,973,232	100.00%	Final accounts for the various projects done except for the supply and installation of 6 billing systems which has delayed because of non-performance by contractor
2	Water and Sanitation Developemnt	World Bank	4.0 Bn	902,363,450	889,829,561	98.61%	Contract for drilling and Equipping three replacement boreholes is
3	Improvement of Mombasa Water Supply System	AFD	14.8 Bn	70,000,000	15,648,564	22.36%	On going
4	Improvement of Drinking Water at Dongo Kundu-Phase I	GOK	500 M	120,000,000	84,511,927	70.43%	On going
5	Cross County Water Distribution Projects	GOK	50 M	25,000,000	-	20.00%	On going
6	Drought Mitigation Program	GOK	61M	61,000,000	46,113,320	75.60%	On going
7	Equilization Fund	GOK	1.4 Bn	50,784,456	86,888,668	81.00%	Majority of the projects are stalled due to lack of payments
8	Small Dams and Pans	GOK	175 M	44M	43.9 M	80.00%	Majority of the projects are stalled due to lack of payments
9	Water for Schools	GOK	24 M	19,150,000	12,225,672	63.84%	On going

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APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:	COAST WATER WORKS DEVELOPMENT AUTHORITY		
	Break down of Transfers from the State Department of Water and Sanitation			
	FY 2019/2020			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Recurrent Funds	14 th Aug, 2019	38,233,333.00	Fy 19/20
	Recurrent Funds	6 th Sept, 2019	38,233,333.00	Fy 19/20
	Recurrent Funds	4 th Oct, 2019	38,233,333.00	Fy 19/20
	Recurrent Funds	4 th Nov, 2019	38,233,333.00	Fy 19/20
	Recurrent Funds	10 th Dec, 2019	38,233,333.00	Fy 19/20
	Recurrent Funds	24 th Dec, 2019	38,233,333.00	Fy 19/20
	Recurrent Funds	10 th Feb, 2020	38,233,333.00	Fy 19/20
	Recurrent Funds	4 th March, 2020	38,233,333.00	Fy 19/20
	Recurrent Funds	2 nd April, 2020	38,233,333.00	Fy 19/20
	Recurrent Funds	28 th May, 2020	38,233,333.00	Fy 19/20
	Recurrent Funds	3 rd June, 2020	38,233,333.00	Fy 19/20
	Recurrent Funds	29 th June, 2020	38,233,334.00	Fy 19/20
		Total	458,799,997.00	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Equalization Funds, Hola Sec Water Piping	2 nd July, 2019	3,720,792.80	Fy 18/19.
	Equalization Funds, Construction of four boreholes in Kilifi	4 th July, 2019	13,696,848.40	Fy. 18/19
	WaSSIP Funds	4 th July, 2019	10,000,000.00	Fy 18/19
	Dongo Kundu	4 th July, 2019	37,500,000.00	Fy 18/19
	Water for Schools Programme	6 th July, 2019	13,150,000.00	Fy 18/19
	Equalization Funds, Equipping of boreholes	9 th July, 2019	6,480,987.20	Fy. 18/19
	Equalization Funds, Construction Kipungani SeaWall	9 th July, 2019	5,097,905.00	Fy. 18/19

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	Equalization Funds, Boreholes in Ganze	9 th July, 2019	3,904,212.00	Fy. 19/20
	Equalization Funds, Water Piping and Installation in Hola	9 th July, 2019	16,973,433.20	Fy. 19/20
	Small dams pans and boreholes	15 th July, 2019	44,000,000.00	Fy 19/20
	Equalization Funds, Construction of Titila Borehole	15 th July, 2019	910,278.00	Fy.19/20
F	1st Quarter fy19/20			
	GOK counterpart, WaSSIP AF	4 th Nov, 2019	15,000,000.00	Fy 19/20
	Dongo Kundu	4 th Nov, 2019	30,000,000.00	Fy 19/20
	Improvement of drinking water & sanitation systems	4 th Nov, 2019	7,500,000.00	Fy 19/20
	Tana River Water Projects	4 th Nov, 2019	25,000,000.00	Fy 19/20
	2nd Quarter fy19/20			
	GOK counterpart, WaSSIP AF	4 th Nov, 2019	15,000,000.00	Fy 19/20
	Dongo Kundu	4 th Nov, 2019	30,000,000.00	Fy 19/20
	Improvement of drinking water & sanitation systems	4 th Nov, 2019	7,500,000.00	Fy 19/20
	Tana River Water Projects	4 th Nov, 2019	25,000,000.00	Fy 19/20
	Cross County Programme	18 th Dec, 2019	25,000,000.00	Fy 19/20
	National Water Harvesting & Ground Water Exploration Programme - 1 st half	18 th Dec, 2019	15,000,000.00	Fy 19/20
	Water for Schools Programme	18 th Dec, 2019	6,000,000.00	Fy 18/19
	WaSSIP Funds	24 th April, 2020	82,270.00	Fy 19/20
	Non-Revenue water reduction in the transmission mains	12 th June, 2020	10,000,000.00	Fy 19/20
	3rd Quarter fy19/20			
	GOK counterpart	12 th June, 2020	15,000,000.00	Fy 19/20
	Dongo Kundu	12 th June, 2020	30,000,000.00	Fy 19/20
	Improvement of drinking water & sanitation systems	12 th June, 2020	7,500,000.00	Fy 19/20
	Tana River Water Projects	12 th June, 2020	25,000,000.00	Fy 19/20
	Mbulia Water Project in Voi	12 th June, 2020	5,000,000.00	Fy 19/20
	Chawia Check Dam - Taita Taveta	12 th June, 2020	7,500,000.00	Fy 19/20
	4th Quarter fy19/20			
	GOK counterpart	8 th July, 2020	15,000,000.00	Fy 19/20

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	Dongo Kundu	8 th July, 2020	30,000,000.00	Fy 19/20
	Improvement of drinking water & sanitation systems	8 th July, 2020	7,500,000.00	Fy 19/20
	Tana River Water Projects	8 th July, 2020	25,000,000.00	Fy 19/20
	Mbulia Water Project in Voi	8 th July, 2020	5,000,000.00	Fy 19/20
	Chawia Check Dam - Taita Taveta	8 th July, 2020	7,500,000.00	Fy 19/20
	National Water Harvesting & Ground Water Exploration Programme - 2 nd half	8 th July, 2020	15,000,000.00	Fy 19/20
	Water for Schools Programme - 1 st half	8 th July, 2020	14,000,000.00	Fy 19/20
	Water for Schools Programme	8 th July, 2020	10,000,000.00	Fy 19/20
	Total		585,516,726.60	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	WaSSIP-AF	N/A	None	
	WSDP			
	China Henan Int Corp., Baricho Immediate Works Lot3	N/A	98,157,631.72	FY 2019-2020
	China Henan Int Corp., Baricho Immediate Works Lot3	N/A	103,070,233.54	FY 2019-2020
	China Henan Int Corp., Baricho Immediate Works Lot3	N/A	98,479,832.55	FY 2019-2020
	Total		299,707,697.81	
D	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	WaSSIP Funds	4 th July, 2019	49,257,632.35	FY 2019-2020
	WSDP funds	18 th July, 2019	52,000,000.00	FY 2019-2020
	WaSSIP Funds	11 th Nov, 2019	50,000,000.00	FY 2019-2020
	WaSSIP Funds	3 rd Feb, 2020	202,234,363.85	FY 2019-2020
	WSDP funds	18 th Dec, 2019	50,000,000.00	FY 2019-2020
	WSDP funds	9 th April, 2020	52,172,892.50	FY 2019-2020
	WSDP funds	29 th June, 2020	103,642,081.80	FY 2019-2020
	Total		559,306,970.50	

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

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the year
	As per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Donor -WASSIP & WSDP	
Ministry of Water and Sanitation	2 nd July, 2019	Equalization Funds	3,720,792.80	3,720,792.80					3,720,792.80
Ministry of Water and Sanitation	4 th July, 2019	Equalization Funds	13,696,848.40	13,696,848.40					13,696,848.40
Ministry of Water and Sanitation	4 th July, 2019	Wassip Funds	49,257,632.35	0				49,257,632.35	49,257,632.35
Ministry of Water and Sanitation	4 th July, 2019	Wassip Funds	10,000,000.00	0				10,000,000.00	10,000,000.00
Ministry of Water and Sanitation	4 th July, 2019	Dongo Kundu	37,500,000.00	37,500,000.00					37,500,000.00

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Ministry of Water and Sanitation	6 th July, 2019	Water for Schools Programme	13,150,000.00	13,150,000.00							13,150,000.00
Ministry of Water and Sanitation	9 th July, 2019	Equalization Funds	6,480,987.20	6,480,987.20							6,480,987.20
Ministry of Water and Sanitation	9 th July, 2019	Equalization Funds	5,097,905.00	5,097,905.00							5,097,905.00
Ministry of Water and Sanitation	9 th July, 2019	Equalization Funds	3,904,212.00	3,904,212.00							3,904,212.00
Ministry of Water and Sanitation	9 th July, 2019	Equalization Funds	16,973,433.20	16,973,433.20							16,973,433.20
Ministry of Water and Sanitation	15 th July, 2019	Small dams pans and boreholes	44,000,000.00	44,000,000.00							44,000,000.00
Ministry of Water and Sanitation	15 th July, 2019	Equalization Funds	910,278.00	910,278.00							910,278.00
Ministry of Water and Sanitation	18 th July, 2019	WSDP funds	52,000,000.00	0						52,000,000.00	52,000,000.00

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Name of the MDA/Donor Transferring the funds	As per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Donor -WASSIP	
Ministry of Water and Sanitation	14 th Aug, 2019	Recurrent Funds	38,233,333.00	38,233,333.00					38,233,333.00
Where Recorded/recognized									
Name of the MDA/Donor Transferring the funds	As per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Donor -WASSIP	Total Transfers during the year
Ministry of Water and Sanitation	6 th Sept, 2019	Recurrent Funds	38,233,333.00	38,233,333.00					38,233,333.00
Ministry of Water and Sanitation	4 th Oct, 2019	Recurrent Funds	38,233,333.00	38,233,333.00					38,233,333.00
Ministry of Water and Sanitation	4 th Nov, 2019	Recurrent Funds	38,233,333.00	38,233,333.00					38,233,333.00

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Ministry of Water and Sanitation	4 th Nov, 2019	GOK counterpart, WaSSIP AF	15,000,000.00	0						15,000,000.00	15,000,000.00
Ministry of Water and Sanitation	4 th Nov, 2019	Dongo Kundu	30,000,000.00	30,000,000.00							30,000,000.00
Ministry of Water and Sanitation	4 th Nov, 2019	Improvement of drinking water & sanitation systems	7,500,000.00	7,500,000.00							7,500,000.00
Ministry of Water and Sanitation	4 th Nov, 2019	Tana River Water Projects	25,000,000.00	25,000,000.00							25,000,000.00
Ministry of Water and Sanitation	4 th Nov, 2019	GOK counterpart, WaSSIP AF	15,000,000.00	0						15,000,000.00	15,000,000.00
Ministry of Water and Sanitation	4 th Nov, 2019	Dongo Kundu	30,000,000.00	30,000,000.00							30,000,000.00
Ministry of Water and Sanitation	4 th Nov, 2019	Improvement of drinking water & sanitation systems	7,500,000.00	7,500,000.00							7,500,000.00
Ministry of Water and Sanitation	4 th Nov, 2019	Tana River Water Projects	25,000,000.00	25,000,000.00							25,000,000.00

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Ministry of Water and Sanitation	24 th Dec, 2019	Recurrent Funds	38,233,333.00	38,233,333.00	38,233,333.00						38,233,333.00
Name of the MDA/Donor Transferring the funds				Where Recorded/recognized							
	As per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Donor -WASSIP	Total Transfers during the year		
Ministry of Water and Sanitation	3 rd Feb, 2020	WaSSIP Funds	202,234,363.85	0				202,234,363.85	202,234,363.85		
Ministry of Water and Sanitation	10 th Feb, 2020	Recurrent Funds	38,233,333.00	38,233,333.00					38,233,333.00		
Ministry of Water and Sanitation	4 th March, 2020	Recurrent Funds	38,233,333.00	38,233,333.00					38,233,333.00		
Ministry of Water and Sanitation	2 nd April, 2020	Recurrent Funds	38,233,333.00	38,233,333.00					38,233,333.00		
Ministry of Water and Sanitation	9 th April, 2020	WSDP funds	52,172,892.50	0				52,172,892.50	52,172,892.50		

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Ministry of Water and Sanitation	24 th April, 2020	WaSSIP Funds	82,270.00	0							82,270.00	82,270.00
Ministry of Water and Sanitation	28 th May, 2020	Recurrent Funds	38,233,333.00	38,233,333.00								38,233,333.00
Where Recorded/recognized												
Name of the MDA/Donor Transferring the funds	As per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Donor -WASSIP	Total Transfers during the year			
Ministry of Water and Sanitation	3 rd June, 2020	Recurrent Funds	38,233,333.00	38,233,333.00					38,233,333.00			
Ministry of Water and Sanitation	12 th June, 2020	Non-Revenue water reduction	10,000,000.00	10,000,000.00					10,000,000.00			
Ministry of Water and Sanitation	12 th June, 2020	GOK counterpart	15,000,000.00	15,000,000.00					15,000,000.00			
Ministry of Water and Sanitation	12 th June, 2020	Dongo Kundu	30,000,000.00	30,000,000.00					30,000,000.00			

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Ministry of Water and Sanitation	12 th June, 2020	Improvement of drinking water & sanitation systems	7,500,000.00	7,500,000.00							7,500,000.00
Ministry of Water and Sanitation	12 th June, 2020	Tana River Water Projects	25,000,000.00	25,000,000.00							25,000,000.00
Ministry of Water and Sanitation	12 th June, 2020	Mbulia Water Project in Voi	5,000,000.00	5,000,000.00							5,000,000.00
Ministry of Water and Sanitation	12 th June, 2020	Chawia Check Dam - Taita Taveta	7,500,000.00	7,500,000.00							7,500,000.00
Ministry of Water and Sanitation	29 th June, 2020	Recurrent Funds	38,233,333.00	38,233,333.00							38,233,333.00
Ministry of Water and Sanitation	29 th June, 2020	WSDP funds	103,642,081.80	0						103,642,081.80	103,642,081.80
Name of the MDA/Donor Transferring the funds					Where Recorded/recognized						
	As per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Donor -WASSIP	Total Transfers during the year		

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Ministry of Water and Sanitation	8th July, 2020	GOK counterpart	15,000,000.00	15,000,000.00						15,000,000.00
Ministry of Water and Sanitation	8th July, 2020	Dongo Kundu	30,000,000.00	30,000,000.00						30,000,000.00
Ministry of Water and Sanitation	8th July, 2020	Improvement of drinking water & sanitation systems	7,500,000.00	7,500,000.00						7,500,000.00
Ministry of Water and Sanitation	8th July, 2020	Tana River Water Projects	25,000,000.00	25,000,000.00						25,000,000.00
Ministry of Water and Sanitation	8th July, 2020	Mbulia Water Project in Voi	5,000,000.00	5,000,000.00						5,000,000.00
Ministry of Water and Sanitation	8th July, 2020	Chawia Check Dam - Taita Taveta	7,500,000.00	7,500,000.00						7,500,000.00
Ministry of Water and Sanitation	8th July, 2020	National Water Harvesting & Ground Water Exploration Programme	15,000,000.00	15,000,000.00						15,000,000.00
Ministry of Water and Sanitation	8th July, 2020	Water for Schools Programme	14,000,000.00	14,000,000.00						14,000,000.00

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Ministry of Water and Sanitation	8 th July, 2020	Water for Schools Programme	10,000,000.00	10,000,000.00						10,000,000.00
		Total	1,603,623,693.10	1,004,234,452.60					599,389,240.50	1,603,623,693.10