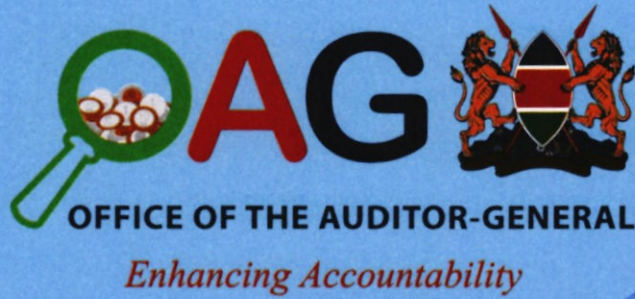


REPUBLIC OF KENYA



REPORT

OF

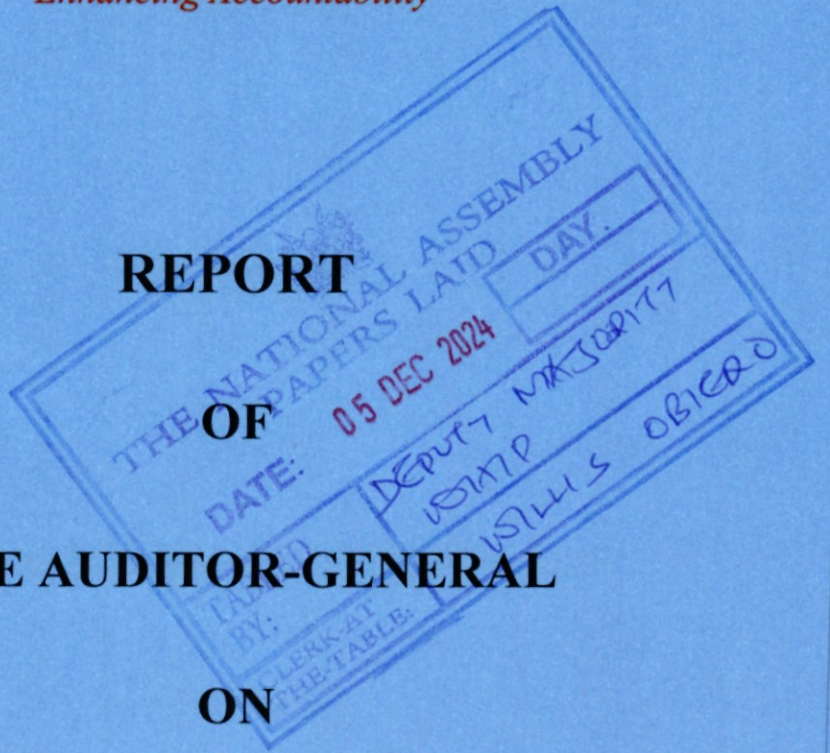
THE AUDITOR-GENERAL

ON

**THWAKE MULTI-PURPOSE WATER
DEVELOPMENT PROGRAM PHASE 1 (AfDB
LOAN NO. 2100150029993, 2000200003351, AGTF
NO. 5050200000501 AND AfDB GRANT NO.
2100155025973)**

**FOR THE YEAR
ENDED 30 JUNE, 2024**

**STATE DEPARTMENT FOR WATER AND
SANITATION**



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

14 NOV 2024

RECEIVED



**PROGRAM NAME: THWAKE MULTI - PURPOSE WATER DEVELOPMENT PROGRAM,
PHASE 1**

**IMPLEMENTING ENTITY: MINISTRY OF WATER, SANITATION AND IRRIGATION
STATE DEPARTMENT FOR WATER AND SANITATION**

**AFDB PROGRAM NO: AfDB LOAN 2100150029993, 2000200003351
AfDB GRANT 2100155025973, AGTF 5050200000501**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

TABLE OF CONTENTS	PAGE
1. ACRONYMS AND DEFINITION OF TERMS	ii
2. PROGRAM INFORMATION AND OVERALL PERFORMANCE	iii
Table 1: Summary of Funding by Financiers	vii
Figure 1: Program Appraisal Budget by Financiers	ix
3. STATEMENT OF PERFORMANCE AGAINST PROGRAM'S PREDETERMINED OBJECTIVES	xiii
4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xiv
5. STATEMENT OF PROGRAM MANAGEMENT RESPONSIBILITIES	xvii
6. REPORT OF THE INDEPENDENT AUDITOR ON THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF TMWDP	xix
7. STATEMENT OF RECEIPTS & PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2024	1
8. STATEMENT OF RECEIPTS & PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2024 - CATEGORIES	2
9. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE, 2024	3
10. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE, 2024	4
11. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2024	5
12. SIGNIFICANT ACCOUNTING POLICIES	6
13. NOTES TO THE FINANCIAL STATEMENTS	10
14. ANNEXES	21
1. Progress on follow up of the Auditor's Recommendations	21
2. Variance Explanations of Comparative Budget & Actual Amounts	26
3. Analysis of Pending Bills	27
4. Reconciliation of Inter Entity Transfers	31
5. Summary of Fixed Assets Register as at 30 June, 2024	33
Table 2: Details of Fixed Assets as at 30 June, 2024	34
6. Other Important Documents	38
i. Transfers Confirmation Template	38
ii. Bank Reconciliation Statement	39
iii. Board of Survey Report	41
iv. Special Account Reconciliation Statement	42

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

1. ACRONYMS AND GLOSSARY OF TERMS

ACCA – Association of Chartered Certified Accountants
AfDB – African Development Bank
AGTF – Africa Grow Together Fund
AIA – Appropriation In Aid
BOQs – Bill of Quantities
CFRD – Concrete Face Rockfill Dam
CGGC – China Gezhouba Group Company
CIPS – Chartered Institute of Professional Studies
CPA – Certified Public Accountant
ESIA – Environmental Social and Impact Assessment
GOK – Government of Kenya
ICPAK – Institute of Certified Public Accountant of Kenya
IPCs – Interim Payment Certificates
KSHS – Kenya Shilling
KRA – Kenya Revenue Authority
MDAs – Ministries, Departments and Agencies
NCA – National Construction Authority
NEMA – National Environment and Management Authority
NLC – National Land Commission
PAPs – Program Affected Persons
PFM – Public Finance Management
PIT – Program Implementation Team
PSASB – Public Sector Accounting Standards Board
SDA – Special Deposit Account
TMWDP – Thwake Multipurpose Water Development Program
UA – Unit of Account
USD – United States Dollar
VAT – Value Added Tax

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

2. PROGRAM INFORMATION AND OVERALL PERFORMANCE

2.1: Name and registered office

Name: The Program's official name is Thwake Multipurpose Water Development Program, Phase 1. It has a Program Implementation Team under the direction of the Program Coordinator.

Objective: The key objective of the Program is the construction of the Thwake Dam and its associated works at the confluence of the Athi River and the Thwake River, for the supply of water to the Konza City and other towns in Kitui, Makueni and Machakos, hydropower generation, and for irrigation of parts of Kitui and Makueni Counties.

Address: The Program implementation operational office is in Engineers Camp – Thwake. The Ministry has also provided an office in Maji House for coordination purposes.

The address of its office is:

Ministry of Water, Sanitation & Irrigation

Maji House, Room 209.

P.O Box 49720 – 00100,

Nairobi.

Contacts: The following are the Program contacts:

Telephone: (254) 723 686401

E-mail: midrocke@yahoo.com

Website: www.water.go.ke

2.2: Program Information

Program Start Date:	The Program start date is 01/09/2014.
Program End Date:	The Program end date is 30/06/2025.
Program Coordinator:	Eng. David Onyango
Program Sponsor:	In the Original Financing Agreement, the program sponsors are the GOK @65% and the AfDB @35%. However, the Additional Financing Agreement has changed the ratio to 10.6% and 89.4%, respectively.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

2.3: Program Overview

Line Ministry/State Department of the project	The Program has been under the supervision of the Ministry of Water, Sanitation and Irrigation – State Department for Water and Sanitation.
Project Number	Grant No. 2100155025973, Loan No. 2100150029993, Loan No.2000200003351, and AGTF Loan No. 5050200000501
Strategic goals of the project	The strategic goals of the Program are as follows: (i) Regulate the flow of Athi and Thwake rivers downstream for flood mitigation. (ii) Improvement in the productivity and livelihoods of the targeted people.
Achievement of strategic goals	The Program management aims to achieve the goals through the following means: (i) Construction of the 80.5m high dam with 688million cubic meters' water storage capacity. (ii) Provision of water for about 1.3 million rural and urban people in the water basin. (iii) Generation of hydropower (20MW) to support Kenya's Least Cost Rural Electrification Programme. (iv) Irrigation of 100,000 acres of land in parts of Makueni and Kitui South.
Other important background information of the Program.	The Program shall achieve these goals in 4 phases namely: i. Phase I – Thwake Dam Construction, appraised to cost UA 179,290,000 (Equiv. Kshs 22.87billion). An Additional Financing Agreement of EURO 235,762,579 places the total cost to approximately Kshs 42.365 billion. ii. Phase II – Water Supply, Sanitation & Waste Water Infrastructure, appraised to cost UA 83,330,000 (Equiv. Kshs10.63 billion); iii. Phase III – Hydropower Generation, appraised to cost UA 34,060,000 (Equiv. Kshs 4.35 billion); and iv. Phase IV – Irrigation Development, appraised to cost UA 190,320,000 (Equiv. Kshs 24.3 billion). The Program management is currently involved in the implementation of Phase I. Designs for Phases 2 and 3 have been prepared and requests for funding submitted to National Treasury.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

Areas that the project was formed to intervene	The Program was formed to intervene in the following areas: (i) Flood/ drought mitigation. (ii) Poverty eradication.
Program duration	The Program started on 1 st September 2014 and was scheduled to run until 30 th June 2023. An extension of time has been given to June 30, 2025.

2.4: Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya, Nairobi.
- (ii) Standard Chartered Bank, London.
- (iii) Equity Bank Ltd, Kitui.

2.5: Auditors

The Program is audited by:

Auditor General
Office of the Auditor General
Anniversary Towers
P.O Box 30084 – 00100
Nairobi.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

2.6: Roles and Responsibilities

The people actively involved in the management and forming the PIT of the Program, besides the Principal Secretary – State Department for Water and Sanitation and the Water Secretary, are as provided below:

No.	Names	Title	Key Qualifications	Responsibilities
01	Eng. David Onyango	Program Coordinator	B.Sc – Civil Engineering, M.Sc – Construction Mgt, MBA – General Mangement. Member – Institute of Engineers of Kenya, Member – Institute of Directors.	Overall coordination of the Program activities to ensure deliverables are met on set time within the available resources.
02	Peter Mbevo Musuva	Senior Monitoring & Evaluation Specialist	B.A (Hons), M.Sc. – Integrated Watershed Mgt.	Monitoring of the physical progress and advising when the actual progress deviates from the planned.
03	CPA Tom Bodo Okello	Finance Management Expert	B. Com, MBA, CPA (K), ACCA.	Management of the finance functions of the Program.
04	Justus Jumbe Omina	Senior Procurement Expert	BSC Purchasing & Supplies, CIPS. M.Sc. – Procurement & Logistics.	Procurement of goods, works and services, and management of the assets.
05	Rodah Kambua Mwendandu	Gender & Social Development Expert	B.A Gender & Dev., Diploma in International Relations. M.Sc. – Project Management	Ensuring implementation of RAP and the socio – economic aspects of the Program.
06	Augustine Kithinzi Makau	Environmental, Health & Safety Specialist	B.Sc (Environment) Diploma – Environmental Mgt.	Ensuring rules and regulations on environmental and safety matters are implemented and operational.
07	Eng. Shadrack Yego	Program Engineer	B.Sc (Civil Engineering), PE – EBK, MIEK.	In charge of the technical quality of the civil works activities.
08	Godffrey Olali	Communication Specialist	B.A – Communication and Political Science. M.A (Arts) – Communication.	In charge of communication and public relations for the Program.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

2.7: Funding Summary

The Program is for duration of eleven years from 2014 to 2025. The Original Financing Agreement for AfDB funding currently in operation has an approved budget of UA 62,890,000 equivalent to about Ksh 8.023 billion. The Additional Financing Agreement approved a budget of EURO 235,762,579 equivalent to about Kshs 27.6 billion. GOK counterpart funding is approximately Ksh 6.8 billion. The fundings are as highlighted in the table below:

Table 1: Summary of Funding by Financiers

A. Sources of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June, 2024)		Undrawn balance to date (30 th June, 2024)	
	Donor currency	Kshs	Donor currency (UA)	Kshs	Donor currency (UA)	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
A/ INITIAL FINANCING ARRANGEMENT						
i. Grant						
African Development Bank	1,210,000	154,370,000	1,124,905	159,682,276	85,095	-5,312,276
ii. Loan						
African Development Bank	61,680,000	7,869,200,000	55,359,028	7,886,632,470	6,320,972	-17,432,470
Total	62,890,000	8,023,570,000	56,483,933	8,046,314,746	6,406,067	-22,744,746
B/ ADDITIONAL FINANCING ARRANGEMENT						
	Donor currency (EURO)	Kshs	Donor currency (EURO)	Kshs	Donor currency (EURO)	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
iii. AfDB Loan	192,569,766	22,511,000,000	174,069,479	19,902,526,275	18,500,287	2,608,473,725
iv. AGTF Loan	43,192,813	5,049,000,000	41,683,400	4,526,711,038	1,509,413	522,288,962
Total	235,762,579	27,560,000,000	215,752,879	24,429,237,313	20,009,700	3,130,762,687
v. GOK Counterpart	-	6,782,000,000	-	5,733,867,769	-	1,048,132,231
Total (Initial + Additional + GOK)	-	42,365,570,000	-	38,209,419,828	-	4,156,150,172
C/ SUMMARY OF RECEIPT OF FUNDS (IN KES)						
	AfDB	Grant	GOK	Total		
AfDB Initial Financing	7,886,632,470	159,682,276	3,998,778,452	12,045,093,198		
AfDB Additional Financing	24,429,237,313	-	1,735,089,317	26,164,326,630		
Total	32,315,869,783	159,682,276	5,733,867,769	38,208,419,828		

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

The balance on the Grant funding and Loan funding of the Initial Financing reflects an overdrawn balance of Ksh 5,312,276 and Ksh 17,432,470 respectively, due to fluctuations of the Kenyan currency against the UA currency. Whereas the budget was set in 2014 at the rate of UA 1 = Ksh 127.5807, the actual disbursement is paid based on the exchange rate ruling in the market at the time of disbursement with the value of the Kenyan currency weakening against the UA over the period.

B. Application of Funds

Application of Funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (30 th June 2024)	
	Donor currency UA	Kshs	Donor currency (UA)	Kshs	Donor currency (UA)	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
A/ ORIGINAL FINANCING ARRANGEMENT						
i. Grant						
African Development Bank	1,124,905	159,682,276	1,124,905	159,682,276	-	-
ii. Loan						
African Development Bank	55,359,028	7,886,632,470	55,357,087	7,886,295,084	1,941	337,386
Total from African Development Bank	56,483,933	8,046,314,746	56,481,992	8,045,977,360	1,941	337,386
B/ ADDITIONAL FINANCING ARRANGEMENT						
	Donor currency EURO	Kshs	Donor currency (EURO)	Kshs	Donor currency (EURO)	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
iii. AfDB Loan	174,069,479	19,902,526,275	174,069,479	19,902,526,275	-	-
iv. AGTF Loan	41,683,400	4,526,711,038	41,683,400	4,526,711,038	-	-
Total	215,752,879	24,429,237,313	215,752,879	24,429,237,313	-	-
v. GOK County part	-	5,733,867,769	-	5,733,867,769	-	-
Total (Initial + Additional + GOK)	-	38,209,419,828	-	38,209,082,442	-	337,386
C/ SUMMARY OF APPLICATION OF FUNDS (IN KES)						
	AfDB	Grant	GOK	Total		
AfDB Original Financing	7,886,295,084	159,682,276	3,998,778,452	-	12,044,755,812	
AfDB Additional Financing	24,429,237,313	-	1,735,089,317	-	26,164,326,630	
Total	32,315,532,397	159,682,276	5,733,867,769	-	38,209,082,442	

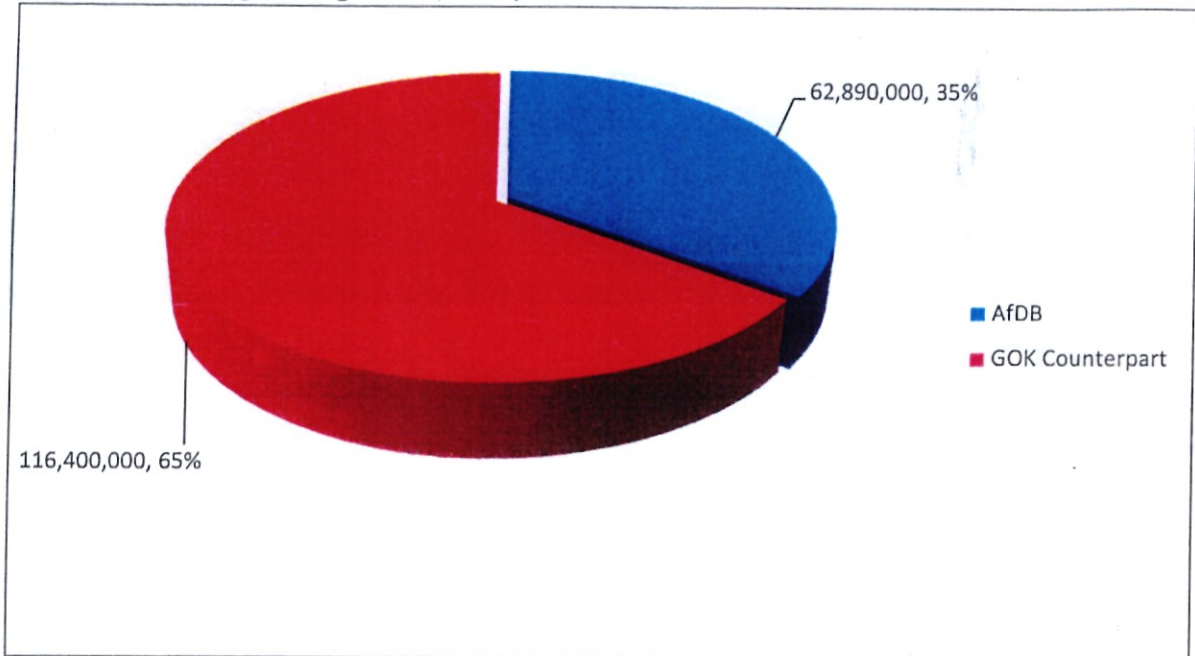
THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

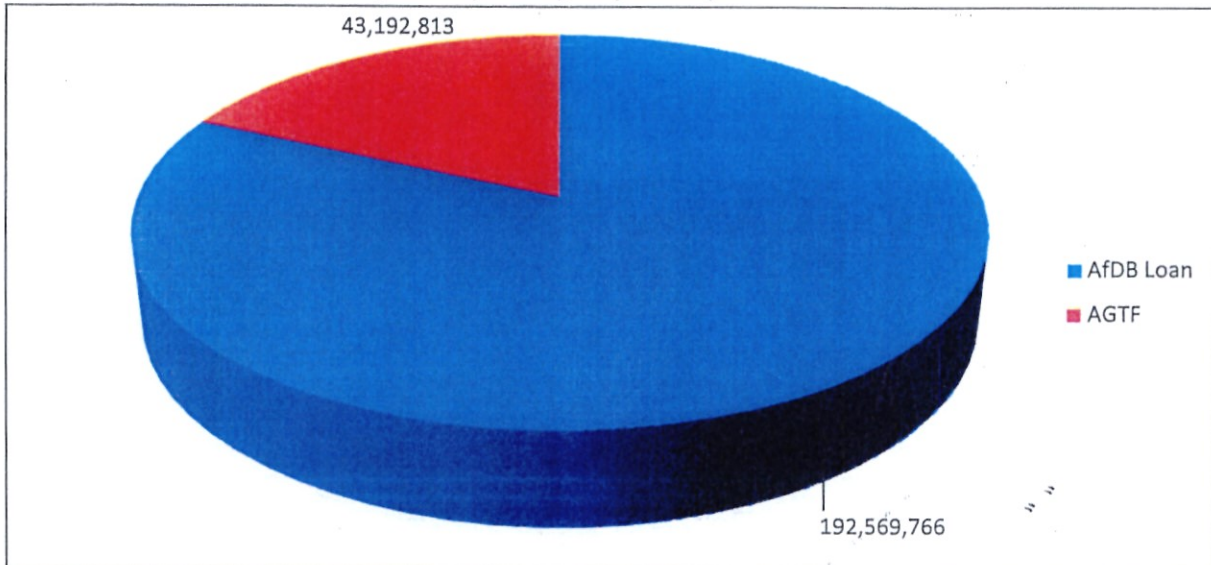
The unutilised balance of UA 1,941 is the equivalent of the balance of Ksh 337,386 unspent and held in the Program Bank Account.

Figure 1: Program Appraisal Budget by Financiers

A/ Original Financing Arrangement (in UA)



B/Additional Financing Arrangement from AfDB (in Euro)



THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I
Annual Report and Financial Statements for the financial year ended June 30, 2024

2.8: Summary of Overall Project Performance:

Budget Performance versus Actual

The Program incurred an expenditure of Ksh 2,428,371,111 against the financial year's budget of Ksh 3,229,762,238. The actual expenditure is 75% of the budget. The cumulative expenditure from Program inception to date is Ksh 38,209,082,442.

In general, the expenditure and absorption rates are almost the same as most of the activities incurred are financed through direct payment method as they were payments for consultancy services.

Physical Progress

The Program involves dam construction which commenced in March 2018 after acquisition of land. The compensation of the PAPs for the acquisition of 9,158 acres of land is complete except for 2 PAPs, of which one has a pending case in court. The other one that was undergoing succession process is now at the gazette level.

Additional 59 acres affecting 9 parcels has been acquired and funds remitted to NLC. All the PAPs have been fully compensated.

The dam construction as at June 2024 was at 93.90% for the 56 months' construction timeframe and the additional 15 months' extension period. The construction is expected to be concluded by December 2024.

Yearly Expenditure and Absorption Rates

The absorption rate based on comparison of expenditure against yearly budgets is as provided below:

Year	Budget Kshs	Absorption Kshs	Expenditure Kshs	Rate (%)	
				Absorption vs Budget	Expenditure vs Budget
2014/15	200,000,000	43,495,716	15,909,268	22	08
2015/16	1,470,900,000	899,803,580	904,484,238	61	61
2016/17	1,014,859,900	781,785,608	791,490,788	77	78
2017/18	5,061,137,200	4,926,717,779	4,939,830,867	97	98
2018/19	5,635,709,000	4,860,431,398	4,853,262,369	86	86
2019/20	5,103,000,000	4,550,837,635	4,552,473,330	89	89
2020/21	7,744,000,000	6,790,422,461	6,795,390,680	88	88
2021/22	7,843,000,000	7,241,366,902	7,238,904,439	92	92
2022/23	6,705,500,000	5,686,470,744	5,688,965,351	85	85
2023/24	3,229,762,238	2,428,088,005	2,428,371,111	75	75
Total		38,209,419,828	38,209,082,442		

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

Absorption refers to amounts disbursed by the financiers and includes actual expenditure and any unspent balances in the Program Bank Account.

Implementation Challenges

The table below summarises the challenges encountered and recommended way forward:

	Challenges	Recommendation/ Way Forward
1.	Lack of a commercial bank account for the Program to receive counterpart funds.	The commercial bank account held in Equity Account is strictly for receipt of funds from AfDB which does not allow for commingling of funds. The Program cannot therefore receive exchequer from GOK funds for its operations as budgeted in the AWPB, hence delayed settlement of payments. The Ministry has mitigated this problem by continually seeking for funds from the National Treasury whenever there are payments to be made.
2.	Delayed payment of VAT due to the contractor.	The VAT payable on IPC 6 has not been fully settled due to insufficient budgetary provision experienced in the year. The current balance is Ksh 203.9 million. A payment of Ksh 102.5 million has been made in the year to clear VAT that was due on IPC 05. Cumulative interest outstanding of Ksh 383 million remains unpaid due to insufficient budgetary provisions. The payment shall be prioritized and settled in phases using available budget.
3.	Escalation of prices of materials, equipment, goods and services beyond the Bill of Quantities (BOQ) budgeted amounts.	The BOQ rates were prepared based on the market prices of November 2016. However, prices have escalated over a period of time and is beyond the control of the implementing agency. A Cabinet Memo has been prepared based on the findings of the Technical and Financial Appraisal report, seeking for Supplementary Funding from AfDB.
4.	Delayed processing of the Supplementary Funding request.	The funding for the construction contract is almost exhausted and supplementary funding of KES 9.285 billion (net of taxes) is required to pay for the Variation Orders and Price Adjustments made in the course of the construction. The processing of the Cabinet Memo prepared in respect of the supplementary funding is ongoing, for submission to AfDB.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I
Annual Report and Financial Statements for the financial year ended June 30, 2024

2.9: Summary of Project Compliance

The Program has ensured that all activities carried out are within the laws of the Republic of Kenya and that all regulations and procedures are followed.

Among the regulations required to be followed include the reports of the ESIA submitted to NEMA, and those of NCA.

In cases of inconsistency between the GOK Regulations and those of the AfDB, the latter have been applied.

It is therefore expected that the Program will not suffer any adverse consequences that would result from non-application of any laws or regulations.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

3. STATEMENT OF PERFORMANCE AGAINST PROGRAM'S PREDETERMINED OBJECTIVES

Introduction

Section 81(2)(f) /Section 164 (2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national/county government entity's performance against predetermined objectives at the end of each financial year.

The Program's Phase 1 aims at construction of Thwake dam at the confluence of Athi and Thwake rivers. This will be a multipurpose dam to regulate the flow of the rivers downstream for flood mitigation, and improvement of the productivity and livelihoods of the people.

The key development objectives of the entire Program's plan are:

- a) Construction of 80.5m high dam with 688million cubic meters' water storage capacity;
- b) Provision of water for 1.3 million rural and urban people in the water basin and Konza Techno city;
- c) Irrigation of 40,000 hectares of land; and
- d) Generation of hydropower of 20MV to support Kenya's Least Cost Rural Electrification Program.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Relevant indicators were identified for purposes of tracking progress and performance measurement.

Below is the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Thwake Multipurpose Water Development Program, Phase 1	Construction of 80.5m high dam with 688million cubic meters water storage capacity	Increased work in progress for the dam construction	% dam construction done	In the year 2023/24 the dam construction reached 93.90 % work in progress.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Thwake Multipurpose Water Development Program – Phase 1 aims at transforming livelihoods of the rural people in the counties of Makueni and Kitui. This remains the main purpose, and the driving force behind every activity carried out. It is also what guides the delivery of its strategy, founded on the Program’s pillars of delivery of sustainable quality and durable dam, environmental stewardship, employment creation, responsible transparent market practises and effective community engagement. Below is a brief highlight of the achievements in each pillar:

i. Sustainability strategy and profile

This is one of the flagship projects of the Vision 2030 being implemented under the Ministry of Water, Sanitation and Irrigation – State Department for Water and Sanitation.

There is goodwill from the local community and the political leadership both at the national and county level for the implementation of the project, as the community stands to gain from the provision of water for domestic use and irrigation purposes. The water to be used in the Konza Techno city is expected to be derived from the dam once the construction is complete. Both the GOK and AfDB, who are the financiers of the Program, have made a commitment through additional funds to finance the dam construction and associated activities to completion.

As the dam shall tap the water flows from the two rivers Athi and Thwake which are the main sources of water in the region, the project will have adequate water and therefore it is sustainable. The dam type being constructed is CFRD which is expected to last more than 50 years before major maintenance work can be undertaken.

The quality and durability of the dam under construction is of utmost importance to the implementing agency. To mitigate against any risk of breakage, the Program in the evaluation process identified a construction firm called China Gezhouba Group Co Ltd which has wide experience in dam construction. It has also engaged a team of eminent dam safety panel of experts of international repute composed of a civil engineer, geologist and a hydrologist. This team periodically visit the site and makes recommendations/ approvals on all major activities before implementation.

ii. Environmental performance

The project has carried out an ESIA and has received approval of the regulating bodies like NEMA. Regular environmental audits are carried out to ensure the construction meets the safety and environmental standards.

iii. Employment Welfare

The Program’s day to day activities are handled by the PIT composed of experts from various professional disciplines relevant to the achievement of the set objectives. Currently, the team is composed of seven males and one female.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

These individuals were recruited from the job market as consultants following the GOK and AfDB Procurement Regulations. The implementing agency has always given the technical and administrative support to back up the PIT.

Graduate Trainees from various fields have been engaged competitively by the contractor as part of knowledge transfer that would be beneficial to the country at large.

At the dam construction level, the contractor has created jobs for the local community for both genders, and supported manufacturing through sourcing of local materials. Transport is provided to the workers at the site.

Occupational Safety and Health policy put in place include inspection of equipment on site, provision of Personal Protective Equipment to workers at the dam site, and provision of adequate water and sanitary conveniences. Mechanisms have also been put in place to ensure any accident that may occur is reported to the implementing agency and that workman compensation policy is implemented.

iv. Market place practices

a) Responsible Competition Practice

The procurement of goods and services are subjected to the procurement rules and regulations as established by the GOK and AfDB. AfDB's "No Objection" is always requested for before the procurement process can proceed. The procurement of the contractor was done using the procurement procedure of both the Government and the AfDB. An evaluation criterion was set and the contractor that met all the requirements and submitted the lowest bid was selected. All the relevant stakeholders were consulted before the award of the contract. A legal opinion was also received from the Attorney General.

In land acquisition, proper procedures were followed including valuation by an independent valuer and involving the NLC as the Government agency to procure the land on behalf of the implementing agency. Value for money was achieved in the acquisition of land from the local community through negotiated prices acceptable to land owners. Consequently, there are no court cases inhibiting the construction of the dam. The welfare of the land owners was adequately taken into account.

b) Responsible Supply Chain and Supplier Relations

The Program ensures that advertisements are carried in at least two daily newspapers with wide circulation in the country. Notifications are sent to both the successful and the unsuccessful firms. The quotations/ tenders are opened on time and bidders invited to witness. Payment process is initiated immediately the invoices are received and goods/ services accepted by the Inspection and Acceptance Committee appointed by the implementing agency. All procurements during the year have been subjected to set regulations and internal controls before making payments.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

c) Responsible Marketing

There is a consultant engaged for the supervision of works to ensure the construction is to the required standards and quality. The consultant is assisted by a team of Dam Safety Panel of Experts to ensure it meets international standards. Goods and services are provided by properly licensed and approved entities. Health and Safety of the local population is safeguarded particularly those who offer services to the project. Guided tours are arranged from time to time for various stakeholders around the dam to get a deeper understanding of the project objectives and how these interfaces with development objectives of the area. The media are also invited to the project site from time to time for tours and briefs to inform the public of the project progress. The project maintains a web site and twitter handle for public engagement. Monthly progress meetings involving the implementing agency, contractor and supervision consultant are held to review work done.

v. Community Engagements

- a) There is a 30% local content in subcontracting some activities of the dam construction with preference to women, youth and the vulnerable. There is also targeted employment opportunity that is benefiting the locals.
- b) The contract has a social responsibility component and six boreholes have been done in both Makueni and Kitui counties. Other activities carried out include construction and renovations of classrooms as well as a community health centre.
- c) Arrangements are being made by various stakeholders including KENHA to construct a road across the dam linking Makueni and Kitui counties. This upon completion shall ease travelling between the two counties.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

5. STATEMENT OF PROGRAM MANAGEMENT RESPONSIBILITIES

The Principal Secretary for State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program are responsible for the preparation and presentation of the Program's financial statements, which give a true and fair view of the state of affairs of the Program for and as at the end of the financial year ended on June 30, 2024.

This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Program; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Program; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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


The Principal Secretary for State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program are of the opinion that the Program's financial statements give a true and fair view of the state of its transactions during the financial year ended June 30, 2024, and of its financial position as at that date. The Principal Secretary for the State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program further confirm the completeness of the accounting records maintained for the Program, which have been relied upon in the preparation of the Program's financial statements as well as the adequacy of the systems of internal financial control.


The Principal Secretary for State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program confirm that the Program has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Program funds received during the period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

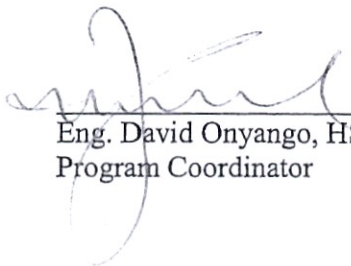
THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

Approval of the Program Financial Statements

The Program financial statements were approved by the Principal Secretary for State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program on 23/09/2024. and signed by them.



Julius Kodir, CBS.
Principal Secretary

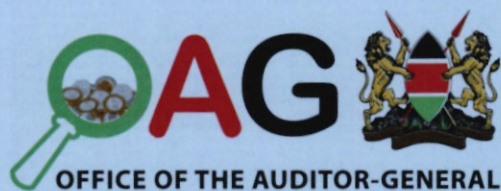
Eng. SAO Alima, EBS
Water Secretary

Eng. David Onyango, HSC
Program Coordinator

CPA Tom B. Okello
Finance Mgt. Expert
ICPAK No: 4534

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON THWAKE MULTI-PURPOSE WATER DEVELOPMENT PROGRAM PHASE 1 (AfDB LOAN NO. 2100150029993, 2000200003351, AGTF NO. 5050200000501 AND AfDB GRANT NO. 2100155025973) FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR WATER AND SANITATION

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

Report of the Auditor-General Thwake Multi-Purpose Water Development Program Phase 1 (AfDB Loan No. 2100150029993, 2000200003351, AGTF No.5050200000501 and AfDB Grant NO.2100155025973) for the year ended 30 June, 2024 - State Department for Water and Sanitation

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Thwake Multi-Purpose Water Development Program, Phase 1 set out on pages 1 to 25, which comprise of the statement of financial assets as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Thwake Multi-Purpose Water Development Program, Phase 1 as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Loan Agreement No. 2100150029993, No. 2000200003351 and AGTF No. 5050200000501 and AfDB Grant No. 2100155025973 dated 27 January, 2014 and 19 June, 2019 respectively between the Republic of Kenya and the African Development Bank and the Public Finance Management Act, 2012.

In addition, the special accounts statements present fairly, transactions for the year, and the closing balance have been reconciled with the books of account.

Basis for Opinion

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.3,229,762,238 and Kshs.2,428,088,005 respectively, resulting in underfunding of Kshs.801,674,233 or 25% of the budget. Similarly, the Project spent an amount of Kshs.2,428,371,111 against the actual receipts of Kshs.2,428,088,005 resulting in over-utilization of Kshs.283,106. Management has attributed the low absorption to slow pace of release of counterpart funds by the Government.

The underfunding is an indication that the project's objectives may not be achieved and may impact negatively on service delivery to the public.

2. Pending Bills

Annex 3 to the financial statements reflects an amount of Kshs.673,016,519 and Kshs.620,662,622 as the pending bills for the financial years ending 30 June, 2024 and 30 June, 2023 respectively. This indicates an increase in the pending bills by Kshs.52,353,897. Management did not provide any explanation why the amount had not been settled during the year. Further, failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

In addition, Annex 3 to the financial statements reflects an amount of Kshs.673,016,519 as the pending bills for financial year ending 30 June, 2024 out of which an amount of Kshs.383,136,385 relates to interest on delayed payments due to the Contractor. Further, it was observed that the cumulative interest had increased by Kshs.147,125,283 from the previous financial year 2022/2023 amount of Kshs.236,011,102. These additional costs could have been avoided had all payments due to contractor were made in time. There is possible loss of funds due to litigations as a result of unsettled pending bills.

My opinion is not modified in respect of these matters

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved some of the issues or given any explanation for failure to resolve them as at 30 June, 2024.

Other Information

Management is responsible for the other information set out on page iii to xviii which comprise of project Information and Management, Management Team, Report of the Principal Secretary and Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Thwake Multi-Purpose Water Development Program Phase 1 financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be

materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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 Project Implementation

1.1 Slow Implementation of the Project

The statement of receipts and payments reflects an amount of Kshs.2,233,782,769 in respects acquisition of non-financial assets. The Government of Kenya entered into a contract with a company for construction of Thwake Multipurpose Water Development Program at a contract sum of Kshs.36,971,346,445. The Construction work started on 27 March, 2018 and was expected to be completed on 5 November, 2022 within 56 months (1,683 days) implementation period excluding defects liability period of one (1) year. However, the completion date was not achieved and therefore, the contractor was granted an extension to complete the contract by 5 February, 2024 and the end of the defect liability period on 5 February, 2025. This was later extended to 7 December, 2024 and a defect liability period to 7 December, 2025. The total payments made to the contractor as at 30 June, 2024 amounted to Kshs.32,780,015,385.

Physical inspection in the month of October, 2024 revealed that the Project had only minimal activities such as drilling and grouting on going. Further, it was observed that certain sections of the Dam had accumulated washed up waste that had stuck in the tunnels. Additionally, thirty (30) houses constructed in the workers' camp were found to be incomplete since toilets and bathrooms had not been done and electricity and water had not been connected. It was also observed that these houses had not been secured by a permanent perimeter but instead had a fence on only one side made of old iron sheets and the fence was loose.

In the circumstances, the Program may not be completed within the contract period and the advance payment may not be recovered.

1.2 Increase in the Contract Price

The statement of receipts and payments and as disclosed in Note 13.7 to the financial statements reflects works totalling to Kshs.38,209,082,442. Included in the works is an amount of Kshs.31,255,178,956 being payments for civil works. However, it was noted that through a letter Ref: TMWDP/FIN/CGGC/169 dated 24 August, 2023 to the National Treasury the State Department of Water and Sanitation requested for additional funding of Kshs.9,285,150,952 for Thwake Dam Construction funding resulting to net additional cost of Kshs.10,331,132,256 and the initial contract sum net taxes was Kshs.31,871,850,475 resulting to an increase in the contract price by thirty two percent (32%), contrary to Section 139 (4 e) of the Public Procurement and Asset Disposal Act, 2015 that states, any variation of a contract shall only be considered after twelve months from the date of signing the contract and shall only be considered if the cumulative value of all contract variations does not result in an increment of the total contract price by more than twenty-five per cent (25%) of the original contract price.

Further, the letter requested for additional funding of Kshs.9,285,150,952 for Thwake Dam Construction. While the Technical and Financial Appraisal of Thwake Dam by SMEC result to an additional project's total cost of Kshs.9,284,952,377. Thus, resulting to an unexplained and an unreconciled variance of Kshs.198,575.

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

1.3 Additional Project Cost

An Engineering Corporation prepared the initial design drawings for Thwake Multi-Purpose Dam and submitted it for tendering on 22 August, 2016 when Geo-technical investigations at the site and hydrologic studies had not been completed. The contract between the Ministry of Water and Irrigation and the Contractor for construction of Thwake Multipurpose Dam was subsequently signed on 15 November, 2017 and two months thereafter construction began, an Engineering Company prepared the final design drawings which made changes to the initial drawings that was tendered after completion of geotechnical studies. The final designs were submitted on 31 May, 2018 and approved on 8 July, 2019 through the letter Ref: WD/3/3/1423/56. This resulted in additional request for funding of Kshs.9,284,952,377 as indicated in the table below.

Item	Amount in (Kshs)
Variation Orders (Works Variation)	4,014,677,115
Contract Price Adjustment	5,270,275,261
Overall (Excluding Taxes)	9,284,952,377

In addition, the change in design drawings for the Dam was done after contract signing and beginning of works.

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

1.4 Irregular Payments to the Contractor

During the audit review, it was noted that payments amounting to Kshs.124,091,607 that had been recommended for deduction by the Contract Implementation Team was not deducted. It is unclear why the Contract Implementation Team abandoned their recommendation on deduction of the above amount without receiving an independent report on inspection of the deliverables contrary to the Act.

In the circumstances, the value for money for funds spent on the Project could not be confirmed.

2.0 Unremitted Value Added Tax

During the year under review, the contractor issued interim payments certificates No.06 that included Value Added Tax (VAT) of Kshs.203,979,306. Although the Management indicated that it had reduced the outstanding VAT by clearing outstanding VAT for issued Interim Payments Certificates No.05, this tax had not been remitted to Kenya Revenue Authority (KRA) by 30 June, 2024.

In the circumstances, the Project may attract penalties, which will result in avoidable and ineligible cost to the Project.

3.0 Incomplete and Faulty Works for Community Social Responsibility Projects

A number of projects have been implemented to completion in the County Governments of Makueni and Kitui at a cost of Kshs.72,166,000 and put under the Management and use by the citizens of the respective counties over the years. An audit inspection of Thwake Multipurpose Water Development Program CSR Projects carried out during the month of October, 2024 revealed the following anomalies:

3.1 Construction Works at Health Facilities

Construction works done amounting to Kshs.13,710,000 at Mavindini Level 3 Hospital, Kanyangi Level 4 Hospital and Kathulumbi Health Center revealed the projects had no signages indicating the project works done, the implementer of the project and the financial year the project was done. Further, defects such as ceiling boards that had been poorly done, major cracks on the walls, leaking that had damaged the ceiling boards, cracked tiles, paint works that had peeled off, faulty gutters, floors with holes were noted.

3.2 Construction and Renovations at Four (4) Primary Schools and Two (2) Secondary Schools

The Management carried out construction and renovation works done amounting to Kshs.12,200,000 at Kilisa, Kathithi, Mumbeeni, Kinyaa Primary School, Kathulumbi and Katito Secondary Schools revealed that major cracks on the walls and cracks and holes on the floor of the classrooms, broken windows, paint works that were peeling off, broken windows and missing window glasses from the window panes, damaged gutter and the

Report of the Auditor-General Thwake Multi-Purpose Water Development Program Phase I (AfDB Loan No. 2100150029993, 2000200003351, AGTF No.5050200000501 and AfDB Grant NO.2100155025973) for the year ended 30 June, 2024 - State Department for Water and Sanitation

pipes to the tanks, roofing that was not done and Grade 3 and Grade 4 classroom doors that had faulty hinges and handles (Kinyaau). Further, the signage indicating the works done, the project implementer and the financial year the project was implemented were missing (Kilisa).

3.3 Drilling of Community Boreholes

The Project Management drilled and equipped six (6) community boreholes at a cost of Kshs.4,500,000 each revealed the following:

3.3.1 Kwa Kimoli Borehole

There was no sign of drilling of a bore hole on site and no sign of metallic head seal cover but instead only a pile of ballast had been put on site.

3.3.2 Mukameni Borehole

Mukameni Borehole was drilled three times at three different sites, the third time water was found. However, the borehole had not been equipped and the water kiosk had not been constructed. In addition, the audit inspection could not confirm the existence of water in the borehole as it was not in operation.

3.3.3 Kilisa Borehole

The drilling of Kilisa Borehole was found to be dry. Although Management indicated that it was awaiting replacement, this had not been done as at October, 2024.

In the circumstances, the community may not benefit from the CSR activities especially boreholes as water is a priority for household and livestock use and also due to poor workmanship.

4.0 Lack of Ownership Documents - Title Deed

The statement of receipts and payments and as disclosed in Note 13.7 to the financial statements reflects works totalling Kshs.38,209,082,442. Included in the works is an amount of Kshs.31,255,178,956 out of which an amount of Kshs.3,576,424,050 was utilised towards compensation of land. Although Management indicated that the compensation exercise was concluded, there was no evidence provided to confirm that the ownership of the land had been transferred.

In the circumstances, ownership of the dam could not be confirmed.

5.0 Lack of National Project Steering Committee Meetings

Review of the Program Steering Committee Minutes revealed that the Committee should regularly conduct meetings on half yearly basis, the first meeting in September or October and the second meeting in March or April every year. However, no evidence was provided to confirm that the Program Steering Committee held a meeting during the year

2023/2024. This was contrary to Section 5.02 (a) of Article V of the additional loan financing agreement, 2019.

In the circumstances, Management was in breach of the financial Agreement.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require 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 comply 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Internal Audit Reports on the Program

As previously reported, the Internal Audit Unit did not carry out an audit of internal controls, risk management, financial reports and the implementation of the Project.

As a result, the effectiveness of the internal controls and risk management put in place by Management, could not be confirmed.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by loan agreements signed between the Government of Republic of Kenya and African Development Bank Loan No. 2100150029993, No. 2000200003351, AGTF No. 5050200000501 and AfDB Grant No. 2100155025973, I report based on my audit that 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:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 November, 2024

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2024

	Notes	Receipts and payments controlled by the entity	Receipts and payments made by third parties	Total	Receipts and payments controlled by the entity	Receipts and payments made by third parties	Total	Cumulative to Date
		FY 2023/24			FY 2022/23			
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS:								
Transfer from Government entities	13.1	110,894,103	-	110,894,103	181,134,569	-	181,134,569	5,733,867,769
Proceeds from Domestic and Foreign Grants	13.2	-	-	-	-	-	-	159,682,276
Loan from External Development Partners	13.3	33,392,032	2,283,801,870	2,317,193,902	36,889,697	5,468,446,478	5,505,336,175	32,315,869,783
Total Receipts		144,286,135	2,283,801,870	2,428,088,005	218,024,266	5,468,446,478	5,686,470,744	38,209,419,828
PAYMENTS:								
Compensation of Employees	13.4	32,257,333	-	32,257,333	38,677,667	-	38,677,667	301,842,258
Purchase of Goods & Services	13.5	9,811,908	152,519,101	162,331,009	54,341,206	176,506,447	230,847,653	1,530,206,179
Acquisition of Non-Financial Assets	13.6	102,500,000	2,131,282,769	2,233,782,769	127,500,000	5,291,940,031	5,419,440,031	36,377,034,005
Total Payments		144,569,241	2,283,801,870	2,428,371,111	220,518,873	5,468,446,478	5,688,965,351	38,209,082,442
SURPLUS/ DEFICIT FOR THE PERIOD		(283,106)	-	(283,106)	(2,494,607)	-	(2,494,607)	337,386

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

The financial statements were approved on 23/09/2024 and signed by:



Julius Korir, CBS.
Principal Secretary

Date: 19.9.2023



Eng. SAO Alima, EBS
Water Secretary

Date: 10/09/2024



Eng. David Onyango, HSC
Program Coordinator

Date: 15/09/2024



CPA Tom B. Okello
Finance Mgt. Expert

ICPAK No: 4534
Date: 19/09/2024

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I

Annual Report and Financial Statements for the financial year ended June 30, 2024

8. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2024 - BY CATEGORIES

	Notes	Receipts and payments controlled by the entity	Receipts and payments made by third parties	Total	Receipts and payments controlled by the entity	Receipts and payments made by third parties	Total	Cumulative to Date
		FY 2023/24			FY 2022/23			
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS:								
Transfer from Government entities	13.1	110,894,103	-	110,648,314	181,134,569	-	181,134,569	5,733,867,769
Proceeds from Domestic and Foreign Grants	13.2	-	-	-	-	-	-	159,682,276
Loan from External Development Partners	13.3	33,392,032	2,283,801,870	2,317,193,902	36,889,697	5,468,446,478	5,505,336,175	32,315,869,783
Total Receipts		144,286,135	2,283,801,870	2,428,088,005	218,024,266	5,468,446,478	5,686,470,744	38,209,419,828
PAYMENTS:								
Goods	13.7	1,165,991	7,149,800	8,315,791	-	5,925,000	5,925,000	31,650,343
Works	13.7	-	2,131,282,769	2,131,282,769	-	5,291,940,031	5,291,940,031	31,255,178,956
Consulting Services	13.7	32,257,333	145,369,301	177,626,634	38,677,667	170,581,447	209,259,114	1,172,159,854
Operational Costs	13.7	251,814	-	251,814	706,637	-	706,637	16,225,520
GOK Counterpart Payments	13.1	110,894,103	-	110,894,103	181,134,569	-	181,134,569	5,733,867,769
Total Payments		144,569,241	2,283,801,870	2,428,371,111	220,518,873	5,468,446,478	5,688,965,351	38,209,082,442
SURPLUS/ DEFICIT FOR THE PERIOD		(283,106)	-	(283,106)	(2,494,607)	-	(2,494,607)	337,386

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

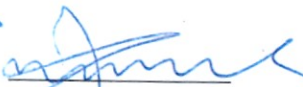
The financial statements were approved on 23/09/2024 and signed by:


Julius Korir, CBS.
Principal Secretary

Date: 19.9.2023


Eng. SAO Alima, EBS
Water Secretary

Date: 10/09/2024


Eng. David Onyango, HSC
Program Coordinator

Date: 10/09/2024


CPA Tom B. Okello
Finance Mgt. Expert

ICPAK No: 4534
Date: 10/09/2024

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

9. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2024

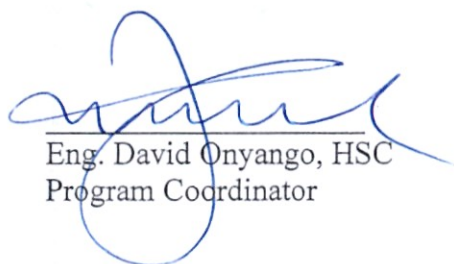
	Notes	FY 2023/24	FY 2022/23
		Kshs	Kshs
FINANCIAL ASSETS:			
Cash & Cash Equivalents:			
Bank Balances	13.8a	337,386	620,492
Total Financial Assets		337,386	620,492
Net Financial Assets			
		337,386	620,492
REPRESENTED BY:			
Fund Balance b/fwd	13.8b	620,492	3,115,099
Surplus/ (Deficit) for the year		(283,106)	(2,494,607)
Net Financial Assets		337,386	620,492

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

The financial statements were approved on 19/09/2024 and signed by:


 Julius Korir, CBS.
 Principal Secretary


 Eng. SAO Alima, EBS
 Water Secretary


 Eng. David Onyango, HSC
 Program Coordinator


 CPA Tom B. Okello
 Finance Mgt. Expert
 ICPAK No: 4534

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I


Annual Report and Financial Statements for the financial year ended June 30, 2024

10. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2024


	Notes	FY 2023/24	FY 2022/23
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts:			
Transfers from Government entities	13.1	110,894,103	181,134,569
Total Receipts		110,894,103	181,134,569
Payments:			
Compensation of Employees	13.4	32,257,333	(38,677,667)
Purchase of Goods and Services	13.5	162,331,009	(230,847,653)
Total Payments		194,588,342	(269,525,320)
Net Receipts/ (Payments)		(83,694,239)	(88,390,751)
Adjustments during the year:		-	-
Net cash flows from operating activities		(83,694,239)	(88,390,751)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Non-Financial Assets	13.6	2,233,782,769	5,419,440,031
Net cash flows from Investing Activities		2,233,782,769	5,419,440,031
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from external development partners	13.3	2,317,193,902	5,505,336,175
Net cash flow from financing activities		2,317,193,902	5,505,336,175
NET INCREASE IN CASH & CASH EQUIVALENTS		(283,106)	(2,494,607)
Cash and cash equivalent at BEGINNING of the period	13.8	620,492	3,115,099
Cash and cash equivalent at END of the period		337,386	620,492

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


The financial statements were approved on 19/09/2024 and signed by:


 Julius Korir, CBS,
 Principal Secretary


Date: 19/09/2024


 Eng. SAO Alima, EBS
 Water Secretary

Date: 19/09/2024


 Eng. David Onyango, HSC
 Program Coordinator

Date: 19/09/2024


 CPA Tom B. Okello
 Finance Mgt. Expert

ICPAK No: 4534
 Date: 23/09/2024


THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2024

Receipts/ Payment Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a + b	d	e= c - d	f= d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS:						
Transfer from Government Entities	200,000,000	-	200,000,000	110,894,103	89,105,897	55
Proceeds from external borrowing	3,163,000,000	(133,237,762)	3,029,762,238	2,317,193,902	712,568,336	76
Total Receipts	3,363,000,000	(133,237,762)	3,229,762,238	2,428,088,005	801,674,233	75
PAYMENTS:						
Compensation of Employees	45,300,000	(13,000,000)	32,300,000	32,257,333	42,667	99
Purchase of goods & services	279,700,000	79,762,238	359,462,238	162,331,009	197,131,229	45
Acquisition of Non-Financial Assets	3,038,000,000	(200,000,000)	2,838,000,000	2,233,782,769	604,217,231	79
Total Payments	3,363,000,000	(133,237,762)	3,229,769,238	2,428,371,111	801,391,127	75
SURPLUS/ (DEFICIT)	-	-	-	(283,106)	283,106	


The significant budget utilisation/ performance differences in the last column are explained in Annex 1 to these financial statements.


 Julius Kohr, CBS.
 Principal Secretary

Date: 19.9.2023


 Eng. SAO Alima, EBS
 Water Secretary

Date: 10/09/2024


 Eng. David Onyango, HSC
 Program Coordinator

Date: 10/09/2024


 CPA Tom B. Okello
 Finance Mgt. Expert

ICPAK No: 4534
 Date: 10/09/2024.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

12. SIGNIFICANT ACCOUNTING POLICIES

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

12.1: Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policies noted below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The Program however did not have any imprests, salary advances or deposits and retentions at the end of the period under review.

The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya.

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

12.2: Reporting Entity

The financial statements are for the Thwake Multipurpose Water Development Program Phase 1 under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation - PFM Act 2012.

12.3: Reporting currency

The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Program and all values are rounded to the nearest one shilling.

12.4: Significant Accounting Policies

a) Recognition of Receipts

The Program recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Government. Direct payments are analysed in the financial statements as Receipts and Payments made by third parties, in the case of the Program such receipts and payments are made by the African Development Bank which is the multilateral financier.

• Transfers from the Exchequer

Transfer from Exchequer has been recognized in the books of accounts when cash was received by the Program. Cash is considered as received when payment is actually credited to the Program Bank Account.

The Program received an Exchequer of Ksh 33,392,032 from the Loan Revenue.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

- **External Assistance**

External assistance is received through grants and loans from AfDB.

Loan was received as both Revenue and Appropriations in Aid (AIA) in the year under review, being Ksh 33,392,032 as Loan revenue and Ksh 2,283,801,870 as AIA.

No grant was received as AIA in the financial year under review.

- **Undrawn external assistance**

These are loans and grants at reporting date as specified in the Financing Agreements and relate to funding for the TMWDP Phase 1 currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely. The Program is anticipated to continue to the completion date. An analysis of the Project's undrawn external assistance is shown in the funding summary.

b) Recognition of Payments

The Program recognises all payments when the event occurs and the related cash has actually been paid out by the Program. AIA payments are recognised when the event occurs and payment requests are transacted in the implementing entity's ledger.

- **Compensation of Employees**

Salaries for the Program employees are recognized in the period when the compensation is actually paid. Part payment for March - June 2024 of Ksh 11,265,000 was outstanding at the end of the financial year under review.

- **Use of Goods and Services**

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

- **Acquisition of Fixed Assets**

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

The major fixed assets acquired in the year is the dam construction that is on-going and payments made based on value of work done and certified.

A fixed asset register is maintained by the Program and a summary is available for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Program bank account in a commercial bank 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.

There were no imprests held at hand at the close of the financial year.

d) Accounts Receivable

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

The Program did not have any Accounts Receivable during the year under review.

e) Pending Bills

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

The pending bills as analyzed in Annex 3 relate to payments to be made from both GOK Counterpart funds and AfDB Loan.

f) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis and for the same period as the financial statements. The Program's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under MDAs but receive budgeted funds and account for them separately. These transfers are recognized as inter – entity transfers and are eliminated upon consolidation.

The Program receives only the donor component of funding through the implementing agency, as the counterpart funds is paid directly to payees through the implementing agency's bank account.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

An assessment of the Program's actual performance against the comparable budget for the financial year under review has been included in Annex 1 to the financial statements.

g) Third Party Payments

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

During the year Kshs 2,283,801,870 being loan disbursements were received in form of direct payments from AfDB.

h) Comparative Figures

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

There were no changes in the financial statement presentation to necessitate any amendments.

i) Subsequent Events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended 30 June, 2024. The Program is therefore expected to continue with its set operational activities.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I
Annual Report and Financial Statements for the financial year ended June 30, 2024

13: NOTES TO THE FINANCIAL STATEMENTS

13.1: Transfers from the Government of Kenya

During the year under review, a total of Ksh 110,894,103 (One hundred ten million eight hundred ninety four thousand one hundred three only) was paid by the implementing agency on behalf of the Program. Major expenditure relates to taxes paid to Kenya Revenue Authority (KRA) in respect of the dam construction and consultancies.

It is noted that the Program does not receive the GOK Counterpart funds into its Bank accounts as the AfDB does not allow for the commingling of its funds with any funds from other sources. Therefore, the amount of GOK funds used specifically for the Program activities is treated as the receipts from the Government of Kenya.

Source	2023/24	2022/23	Cumulative to date from Inception
	Kshs	Kshs	Kshs
Counterpart funding through the implementing agency			
Quarter 1	-	2,395,715	2,193,515,608
Quarter 2	1,344,400	62,579,800	654,602,231
Quarter 3	64,177,714	1,655,701	1,644,253,366
Quarter 4	45,371,989	114,503,353	1,241,496,564
Total	110,894,103	181,134,569	5,733,867,769

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

13.2: Proceeds from Domestic and Foreign Grants

No grant was received from AfDB in the period under review. The cumulative payments made up to financial year 2020/21 is Ksh 159,682,276. No payments have been made under Grants since this period.

Name of Financier	Date Received	2023/24				2022/23	Cumulative to Date
		Amount in Donor Currency	Grants received in cash	Grants received as Direct Payments	Total Amount	Comparable	
		UA	Kshs	Kshs	Kshs	Kshs	
AfDB – Grant AIA	Various	-	-	-	-	-	159,682,276
Total		-	-	-	-	-	159,682,276

13.3: Loan from External Development Partners

During the year under review, the Program received Loan Revenue from the Special Account of Ksh 33,392,032 as exchequer. Direct payments received and paid as Loan AIA under Initial Financing and Additional Financing was Ksh 2,283,801,870. The total amounts received as Loan was therefore Ksh 2,317,193,902 as detailed below:

Name of Financier	Date Received	FY 2023/24					FY 2022/23	Cumulative to Date	
		Amount in Donor Currency	Loans received in cash	Loan received as Direct Payments		Total Amount	Comparable		
		Amount in donor currency		Initial Financing	Additional Financing	FY 2023/24	FY 2022/23		
		UA	EURO	Kshs	Kshs	Kshs	Kshs		
AfDB – Loan Revenue	Various	185,176.54	-	33,392,032	-	-	33,392,032	36,889,697	328,848,598
AfDB – Loan AIA	Various	72,643.34	19,908,356	-	12,618,351	2,271,183,519	2,283,801,870	5,468,446,478	31,987,021,185
Total		257,819.88	19,908,356	33,392,032	12,618,351	2,271,183,519	2,317,193,902	5,505,336,175	32,315,869,783

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

Schedule of Payees made on Loans from External Development Partners:

Name of Payee	Date Received	Ref. No	Initial Financing Agreement		Additional Financing Agreement		Total Amount
			UA	Kshs	EURO	Kshs	
i. Loan Revenue							
Replenishment	04/09/2023	EA/FA/78/7/028/D	62,859.65	12,131,944	-	-	12,131,944
	22/04/2024	EA/FA/78/7/028/D	122,316.89	21,260,088	-	-	21,260,088
Total – Loan Revenue			185,176.54	33,392,032	-	-	33,392,032
ii. Loan AIA							
a/ Initial Financing Agreement:							
Ljiljana Spasic - Gril	30/06/2023	WA 0073	4,408.50	727,218	-	-	727,218
Eco – Ethics and Development Ltd	17/07/2024	WA 0078	27,660.73	4,741,333	-	-	4,741,333
Pisurgic East Africa	09/05/2024	WA 0077	40,574.11	7,149,800	-	-	7,149,800
			72,643.43	12,618,351	-	-	12,618,351
Sub Total			-	-	-	-	46,010,383
b/ Additional Financing Agreement:							
AGTF							
CGGC Ltd	30/10/2023	WA 0023	-	-	492,221.22	53,317,402	53,317,402
CGGC Ltd	14/12/2023	WA 0024	-	-	397,843.38	43,094,395	43,094,395
CGGC Ltd	27/12/2023	WA 0025	-	-	400,344.91	43,365,360	43,365,360
CGGC Ltd	13/02/2024	WA 0026	-	-	203,054.15	21,994,825	21,994,825
CGGC Ltd	26/03/2024	WA 0027	-	-	613,832.15	66,490,298	66,490,298
CGGC Ltd	10/05/2024	WA 0028	-	-	775,360.86	83,987,088	83,987,088
CGGC Ltd	25/06/2024	WA 0029	-	-	392,388.85	42,503,560	42,503,560
CGGC Ltd	13/06/2024	WA 0030	-	-	463,356.70	50,190,798	50,190,798
Sub- Total - AGTF			-	-	3,738,402.22	404,943,726	404,943,726
AFDB Loan							
SMEC Intl	03/10/2023	WA 0066	-	-	91,726.40	13,448,696	13,448,696
SMEC Intl	03/10/2023	WA 0067	-	-	84,404.58	12,375,188	12,375,188
SMEC Intl	03/10/2023	WA 0065	-	-	81,142.40	11,896,896	11,896,896

THIWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I

Annual Report and Financial Statements for the financial year ended June 30, 2024

SMEC Intnl	03/10/2023	WA 0064	-	-	79,358.56	11,635,353	11,635,353
SMEC Intnl	21/12/2023	WA 0070	-	-	95,915.43	15,056,694	15,056,694
CGGC Ltd	25/10/2023	WA 0071	-	-	1,848,007.85	199,238,713	199,238,713
CGGC Ltd	25/10/2023	WA 0072	-	-	167,733.36	28,061,791	28,061,791
CGGC Ltd	08/12/2023	WA 0073	-	-	1,461,189.84	161,036,949	161,036,949
CGGC Ltd	06/12/2023	WA 0074	-	-	132,631.19	22,681,260	22,681,260
CGGC Ltd	21/12/2023	WA 0075	-	-	1,456,925.37	162,049,505	162,049,505
CGGC Ltd	15/12/2023	WA 0076	-	-	134,773.39	22,823,874	22,823,874
SMEC Intnl	27/03/2024	WA 0077	-	-	70,635.42	9,694,874	9,694,874
SMEC Intnl	27/03/2024	WA 0079	-	-	126,644.04	19,904,690	19,904,690
SMEC Intnl	27/03/2024	WA 0078	-	-	101,490.79	15,575,874	15,575,874
SMEC Intnl	27/03/2024	WA 0080	-	-	89,056.13	14,854,840	14,854,840
SMEC Intnl	27/03/2024	WA 0081	-	-	92,670.00	15,457,645	15,457,645
CGGC Ltd	13/02/2024	WA 0082	-	-	749,506.29	82,191,189	82,191,189
CGGC Ltd	13/02/2024	WA 0083	-	-	66,910.72	11,576,224	11,576,224
CGGC Ltd	27/03/2024	WA 0084	-	-	2,254,447.49	248,463,745	248,463,745
CGGC Ltd	27/03/2024	WA 0085	-	-	245,923.36	34,994,894	34,994,894
CGGC Ltd	25/04/2024	WA 0087	-	-	2,895,605.00	313,846,486	313,846,486
CGGC Ltd	15/05/2024	WA 0088	-	-	314,281.77	44,203,731	44,203,731
CGGC Ltd	25/04/2024	WA 0089	-	-	1,465,386.21	158,829,092	158,829,092
CGGC Ltd	25/04/2024	WA 0090	-	-	155,662.76	22,370,295	22,370,295
CGGC Ltd	14/06/2024	WA 0091	-	-	1,716,656.22	187,555,086	187,555,086
CGGC Ltd	14/06/2024	WA 0092	-	-	191,269.34	26,416,209	26,416,209
Sub Total – AfDB Loan				46,010,383		1,866,239,793	1,866,239,793
Sub Total – Additional Financing				-		2,271,183,519	2,271,183,519
Total Loan (Revenue + AIA)							2,317,193,902

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

13.4: Compensation of Employees

	FY 2023/24			FY 2022/23	Cumulative to Date
	Payments made by the entity in cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	
Other personnel payments	32,257,333	-	32,257,333	38,677,667	308,262,592
Total	32,257,333	-	32,257,333	38,677,667	308,262,592

13.5: Purchase of Goods and Services

	FY 2023/24			FY 2022/23	Cumulative to Date
	Payments made by the entity in cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	
Utilities, Supplies & Services	1,791,991	7,149,800	8,941,791	5,925,000	176,995,343
Domestic Travels & Subsistence	2,825,200	-	2,825,200	1,745,400	31,483,670
Foreign Travels & Subsistence	-	-	-	-	3,171,370
Printing, Advert & Information Supplies	-	-	-	50,720	3,802,406
Other Operating Expenses	21,834	-	21,834	9,120	4,706,342
Routine Maintenance – Motor Vehicle	229,980	-	229,980	705,884	12,942,565
Consultancy services – Technical and Professional services	4,942,903	145,369,301	150,312,204	222,411,529	1,297,157,904
Total	9,811,908	152,519,101	162,331,009	230,847,653	1,538,259,600

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

13.6: Acquisition of Non – Financial Assets

Classification	FY 2023/24			FY 2022/23	Cumulative to Date
	Payments made by the entity in cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of Vehicles and other transport equipment	-	-	-	-	12,136,200
Purchase of Office Furniture and General Equipment	-	-	-	-	8,404,949
Purchase of land	-	-	-	-	3,576,424,050
Construction of Civil Works - Dam	102,500,000	2,131,282,769	2,233,782,769	5,419,440,031	32,780,015,385
Total	102,500,000	2,131,282,769	2,233,782,769	5,419,440,031	36,376,980,584

Construction of civil works cumulative payment of Ksh 32,780,015,385 is the actual amount paid to the contractor to date. The retention on this contract to date is Ksh 1,087,585,899 which shall be paid by AfDB as an IPC after the Defect Liability Period. No Retention Account is held by the Program as AfDB remits only the net amount due to the contractor's bank account. Cumulative VAT exemptions to date is Ksh 2,532,239,837.

13.7: Analysis of Expenditure by Categories

Category	FY 2023/24			FY 2022/23	Cumulative to Date
	Payments made by the entity in cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Goods	1,165,991	7,149,800	8,315,791	5,925,000	31,650,343
Civil Works	-	2,131,282,769	2,131,282,769	5,291,940,031	31,255,178,956
Consultancy Services	32,257,333	145,369,301	177,626,634	209,259,114	1,172,159,854
Operational Costs	251,814	-	251,814	706,637	16,225,520
Total - AfDB	33,675,138	2,283,801,870	2,317,477,008	5,507,830,782	32,475,214,673
Add: GOK Counterpart	110,894,103	-	110,894,103	181,134,569	5,733,867,769
Total – AfDB + GOK	144,286,136	2,283,801,870	2,428,371,111	5,688,965,351	38,209,082,442

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

13.8: Cash and Cash Equivalents

	FY 2023/24	FY 2022/23
	Kshs	Kshs
Bank Accounts (Note 13.8a and 13.8b)	337,386	620,492
Total	337,386	620,492

13.8a: Program Bank Accounts

	FY 2023/24	FY 2022/23
	Kshs	Kshs
Foreign Currency Bank Account:		
Central Bank of Kenya (A/c 1000213507)	-	-
Total Foreign Account Balances	-	-
Local Currency Bank Account:		
Equity Bank Ltd (A/c 0720262733899)	337,386	620,492
Total Local Account Balances	337,386	620,492
Total Bank Account Balances	337,386	620,492

13.8b: Fund Balance B/Fwd

	FY 2023/24	FY 2022/23
	Kshs	Kshs
Bank Accounts	620,492	3,115,099
Total	620,492	3,115,099

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

13.8c: Special Deposit Accounts

The balances in the Project's Special Deposit Account (SDA) as at 30th June 2024 are not included in the Statement of Financial Assets since they are below the line (BTL) items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the SDA movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

	FY 2023/24	FY 2022/23
	USD	USD
i) A/c Name: Thwake Multipurpose Water Development Program Loan Account (Ac No: 01268945650)		
Opening Balance	-	-
Total amount deposited in the account	247,547.20	289,844.87
Total amount withdrawn (as per Statement of Receipt and Payments)	247,547.20	289,844.87
Bank charges by CBK	-	-
Closing balance (as per SDA bank account reconciliation attached)	-	-

The SDA reconciliation statement has been attached as Annex 6 (iv) to support the closing balances.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

Other Important Disclosures

13.9: Pending Accounts Payable (See Annex 3a)

	Balance b/f July 01, 2023	Additions for period ended June 30, 2024	Paid during the period ended June 30, 2024	Balance c/f June 30, 2024
	Kshs	Kshs	Kshs	Kshs
Construction of civil works	542,490,408	147,125,283	102,500,000	587,115,691
Supply of Services	78,172,214	60,304,407	52,575,793	85,900,828
Total	620,662,622	207,429,690	155,075,793	673,016,519

13.10: Pending Staff Payables (See Annex 3b)

	Balance b/f July 01, 2023	Additions for period ended June 30,2024	Paid during the period ended June 30,2024	Balance c/f June 30,2024
	Kshs	Kshs	Kshs	Kshs
Program Implementation Team	2,422,333	11,265,000	2,422,333	11,265,000
Total	2,422,333	11,265,000	2,422,333	11,265,000

13.11: External Assistance

	FY 2023/24	FY 2022/23
Description	Kshs	Kshs
External Assistance Received as Loan - Revenue	33,392,032	36,889,697
External Assistance Received as Grant and Loan – AIA (Paid by third parties)	2,283,801,870	5,468,446,478
Total	2,317,193,902	5,505,336,175

a) External Assistance relating to Loans and Grants

	FY 2023/24	FY 2022/23
Description	Kshs	Kshs
External Assistance Received as Loan - Revenue	33,392,032	36,889,697
External Assistance Received as Loan - AIA	2,283,801,870	5,468,446,478
Total	2,317,193,902	5,505,336,175

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

b) Undrawn External Assistance

	Purpose for which the undrawn assistance may be used	FY 2023/24		FY 2022/23	
		UA	Kshs	UA	Kshs
A/ Initial Financing Agreement		UA	Kshs	UA	Kshs
AfDB - Grant	Construction of Thwake dam	85,095	(5,312,276)	85,095	(5,312,276)
AfDB - Loan		6,320,972	(17,432,470)	6,488,272	28,577,914
Total Initial Financing		6,406,067	(22,744,746)	6,573,367	23,265,638
B/ Additional Financing Agreement		EURO	Kshs	EURO	Kshs
AfDB Loan	Construction of Thwake dam.	18,500,287	2,608,473,635	34,670,241	4,474,713,518
AGTF		1,509,413	522,288,962	5,247,815	927,232,688
Total Additional Financing		20,009,700	3,130,762,597	39,918,056	5,401,946,206

The Initial and Additional Financing Agreements are in UA and Euro currencies respectively. The Kshs equivalents in the financing budget was determined based on the exchange rates at the time of signing of the agreements. Actual payments are determined based on the market exchange rates at the time of payment.

c) Classes of providers of External Assistance

	FY 2023/24	FY 2022/23
Description	Kshs	Kshs
Multilateral donors – African Development Bank	2,317,193,902	5,505,336,175
Total	2,317,193,902	5,505,336,175

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I
Annual Report and Financial Statements for the financial year ended June 30, 2024

d) Purpose and use of External Assistance

	FY 2023/24	FY 2022/23
	Kshs	Kshs
Payments made by Third Parties		
Use of goods and services	152,519,101	176,506,447
Acquisition of Assets	2,131,282,769	5,291,940,031
Total payments by Third Parties	2,283,801,870	5,468,446,478
Payments made by entity in cash		
Compensation of Employees	32,257,333	38,677,667
Purchase of Goods and Services/ Operational Costs	1,417,805	706,637
Total payments in Cash	33,675,138	39,384,304
Total Payments made from External Assistance	2,317,477,008	5,507,830,782

e) External Assistance paid by third parties on behalf of TMWDP by Source

	FY 2023/24	FY 2022/23
	Kshs	Kshs
Description		
Multilateral Partners – African Development Bank	2,283,801,870	5,468,446,478
Total	2,283,801,870	5,468,446,478

13.12 Payments made by Third Parties on behalf of the Program

a) Classification by Source

	FY 2023/24	FY 2022/23
	Kshs	Kshs
Description		
Multilateral Partners – African Development Bank	2,283,801,870	5,468,446,478
Total	2,283,801,870	5,468,446,478

b) Classification by Nature of Expense

	FY 2023/24	FY 2022/23
	Kshs	Kshs
Description		
Use of goods and services	152,519,101	176,506,447
Acquisition of Assets	2,131,282,769	5,291,940,031
Total	2,283,801,870	5,468,446,478

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I

Annual Report and Financial Statements for the financial year ended June 30, 2024

14. ANNEXES

Annex I -Progress on follow up of Prior Year's Auditor Recommendations

Reference No. on the External Audit Report	Issue/ Observations from the Auditor	Management Comments	Status: (Resolved/ Not Resolved)	Timeframe
Audit Report for the year ended 30 th June 2023	Other Matter			
	1. Unresolved Prior Year Audit Matters	<p>The Prior Audit Issues form part of the statements included in the Annual Report and Financial Statements which are signed by Accounting Officer giving details of actions taken to resolve the outstanding matters. The Ministry has endeavored to resolve these issues. However, some policy issues like pollution of Athi River and funding of the remaining phases are not yet fully resolved.</p> <p>Below are the specific matters:</p>		
	a/ Funding and continuity of the Program. Issue: Lack of funding for the remaining phases.	<p>The Ministry has prepared and presented a CAB Memo to National Treasury with a proposal on financing of the remaining phases of the Program. The report is due for discussion with AfDB to secure supplementary funding for the Program. Matter deliberated at the Parliamentary Accounts Committee (PAC) with recommendation that the implementing agency submits a formal request to National Treasury. This has been actioned through the CAB Memo.</p>	Not resolved	31/12/2024
b/ Water pollution of Athi River.	An Inter Agency Technical Committee under Ministry of Water, Sanitation and Irrigation is involved in the control and		Not resolved	31/12/2024

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

	Issue: Non mitigation of the risk	pollution of Athi River. The team meets monthly to follow up on agreed targets. Matter deliberated by PAC with recommendation that the implementing agency put in place measures to mitigate pollution in Athi River. Measures put in place include: i. Establishment of the Nairobi Rivers Commission; and ii. Contract awarded to a firm to clean Nairobi River.		
c/	Delayed development of physical hydraulic model.	The hydraulic model has been developed and is being used to test the design. Final reports have been submitted and the model is operational. Matter deliberated by PAC and resolved.	Resolved	30/06/2023.
d/	Costly Price Adjustments	The contract signed with the contractor included a 2% Provisional Sum for Price Contingencies. However, the actual adjustments determined by the market dynamics and as stated in the price indices from Kenya National Bureau of Statistics (KNBS) has been higher than the provisional sum. The estimated cost of price adjustment form part of the funding included in the CAB Memo seeking for supplementary funding from AfDB.	Not Resolved	31/12/2023
e/	Lumpsum amount in Bill of Quantities.	The payment of Ksh 281,959,583 relating to A1 6 – Design and construction of temporary site access roads, and Ksh 79,177,095 for 1A 7 – Design and construction of temporary all-season bridge, are lumpsum in nature as defined in the BOQ and the prices are determined using the Engineer’s Estimates. Payment was carried out as per the contractual obligation.	Resolved.	31/12/2023
f/	Non-Construction of Temporary site offices	The implementing agency resolved to lease offices due to delay in securing land at the dam site. Permanent offices have since been constructed at the site.	Resolved.	

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

		Matter deliberated by PAC with recommendation that the status of the current offices be submitted.		
	2. Budgetary Control and Performance	The underfunding and under expenditure was due to low value of Interim Payment Certificates (IPCs) submitted by the contractor, against a higher budget that had been provided for. The funds are disbursed based on the value of work certified, services rendered and goods delivered, and acceptable to the Ministry.	Resolved.	31/12/2023
	3. Pending Bills of Ksh 620,662,622.	<p>Part of the pending bills amounting to Ksh 542,490,408 related to VAT and interest on delayed payments to the contractor which had not been paid at the end of the year due to insufficient budgetary provision. Management has been making partial payments whenever there is sufficient budgetary allocation and exchequer provision. The management made a payment of Ksh 102.5 million in the year under review based on the resources available. Some pending bills of Ksh 28,088,863 relate to taxes payable from GOK counterpart funding on consulting services rendered to the Program which could not be paid due to insufficient budgetary allocation. Pending bills of Ksh 50,683,351 also due to consultants and payable from AfDB funding were not processed as the payment documents were not received on time but were ultimately settled in the year under review.</p> <p>The Program has had pending bills due to factors beyond the control of the Ministry as the budgetary allocation and exchequer provision has been inadequate to clear all outstanding payments. The matter has been brought to the attention of National Treasury which advised the Ministry to rationalize its activities using the available budget.</p>	Resolved.	30/06/2025.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1


Annual Report and Financial Statements for the financial year ended June 30, 2024


Lawfulness and Effectiveness in use of Public Resources				
1.	Delayed Completion of works	Management concurs that there has been some delay in the construction schedule, attributable to change of scope of work from the initial design. It is the desire of the management to ensure works are completed on the revised schedule date. Measure being undertaken include: iii. Periodic monitoring of the construction process; iv. Development of the program of works: v. Contractor working on both day and night shifts.	Not Resolved.	31/12/2023
2.	Incomplete Corporate Social Responsibility Projects	The management has made follow up on the CSR projects that had defects. Some actions taken include: i. Repairs have been done on the floors that were peeled off. ii. Kathulumbi Hospital maternity wing has been repaired. iii. 2 boreholes have been drilled and the community is benefiting. The one remaining is planned to be completed within the end of the year.	Not Resolved.	30/06/2025
3.	Unremitted VAT to Kenya Revenue Authority	The management made payment of Ksh 102.5 million to clear outstanding VAT owed the contractor in respect of IPC 05. The amount owed of Ksh 203,979,306 shall be paid subject to availability of adequate budgetary allocation and exchequer provision.	Not Resolved	30/06/2025
4.	Interest on delayed payment to Contractor	Interest on delayed payments have been occasioned by several factors including non-payment of outstanding VAT to the contractor, inadequate budgetary provision and delayed legislation of the National Public Debt threshold in 2019. The Ministry has streamlined the processing of the IPCs to minimize delays.	Not Resolved.	30/06/2025


THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

Effectiveness of Internal Controls, Risk Management and Governance				
	1. Lack of Internal Audit Report	The internal audit functions are carried out by the Internal Audit department of the State Department for Water and Sanitation. The department has been facilitated to carry out the function and submitted a report.	Resolved.	31/12/2023


 Julius Korir, CBS
 Principal Secretary


 Eng. SAO Alima
 Water Secretary


 Eng. David Onyango, HSC
 Program Coordinator


 CPA Tom B. Okello
 Finance Mgt. Expert
 ICPAK No: 4534

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 2 – Variance Explanations of Comparative Budget & Actual Amounts

	Final Budget a	Actual on Comparable Basis b	Budget Utilisation Variance c = a - b	% of Utilisation d = b/a%	Comments on Variance below 90% and above 100%
RECEIPTS DURING THE PERIOD:					
Government of Kenya	200,000,000	110,894,103	89,105,897	54.82	Received less amount due to insufficient exchequer received by the Ministry.
Proceeds from external borrowing	3,029,762,238	2,317,193,902	712,568,336	76.48	Received less amount due to non-conclusion of the Supplementary Funding request on time before end of the financial year, this affected an amount of Ksh 750 million.
Total Receipts	3,229,762,238	2,428,088,005	801,674,233	75.14	
PAYMENTS DURING THE PERIOD:					
Compensation of Employees	32,300,000	32,257,333	42,667	99.87	Payment was within the budget
Purchase of Goods & Services	359,462,238	162,331,009	197,131,229	45.16	Under spending due to error of additional funding of Ksh 80 million received during Supplementary Estimates. Inadequate exchequer received from GOK counterpart funding contributed to low absorption of Ksh 49 million. Payments chargeable on AfDB funding for Ksh 36.7 million were also not processed due to reduction of the budget during Supplementary Estimates.
Acquisition of non – financial assets	2,838,000,000	2,233,782,769	604,217,141	78.71	Under expenditure due to failure to conclude the request for Supplementary Funding on time.
Total Payments	3,229,762,238	2,428,371,111	801,391,127	75.15	

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I

Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 3: Analysis of Pending Bills

3a: Analysis of Pending Accounts Payable Bills as at 30th June, 2024

Supplier of Civil Works, Goods or Services	Original Amount	Date Contracted	Amount paid to date	Outstanding Balance 30/06/2024	Outstanding Balance 30/06/2023	Comments
	Ksh		Ksh	Ksh	Ksh	
i. Civil Works						
China Gezhouba Group Co Ltd	102,500,000 203,979,306	08/02/2021 15/06/2021	102,500,000 -	- 203,979,306	102,500,000 203,979,306	VAT on IPC 5 now fully settled. VAT on IPC 6 not settled due to insufficient budget in the year.
	383,136,385	30/06/2023	-	383,136,385	236,011,102	Interest on delayed payments not settled due to insufficient budgetary allocation.
Sub Total	689,615,691		102,500,000	587,115,691	542,490,408	
ii. Supply of Services						
SMEC International PTY	179,368	30/06/2023	-	179,368	-	Payments in respect of VAT and reimbursables payable from GOK funds not concluded due to lack of adequate exchequer in the period
SMEC International PTY	1,441,169	30/06/2023	-	1,441,169	-	
SMEC International PTY	7,649,081	30/06/2023	-	7,649,081	-	
SMEC International PTY	2,169,929	30/06/2023	-	2,169,929	-	
SMEC International PTY	2,034,912	30/06/2023	-	2,034,912	-	
SMEC International PTY	1,051,113	30/06/2023	-	1,051,113	-	
SMEC International PTY	1,903,941	30/06/2023	-	1,903,941	-	
SMEC International PTY	906,132	30/06/2023	906,132	-	-	
SMEC International PTY	2,193,677	30/06/2023	-	2,193,677	-	
SMEC International PTY	1,903,503	30/06/2023	-	1,903,503	-	
SMEC International PTY	954,989	30/06/2023	954,989	-	-	
SMEC International PTY	937,907	30/06/2023	-	937,907	-	
SMEC International PTY	2,151,791	30/06/2023	-	2,151,791	-	
SMEC International PTY	1,980,030	30/06/2023	-	1,980,030	-	

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

Penten General	48,138	30/06/2024	-	48,138	-	
Sub Total - Goods	211,387		-	211,387	-	
	138,476,621		52,575,793	85,900,828	78,172,214	
Total	828,092,312		155,075,793	673,016,519	620,662,622	

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

3b: Analysis of Pending Staff Bills as at 30th June, 2024

Name of Staff	Job Group	Original Amount	Date Contracted	Amount paid to date	Outstanding Balance 30/06/2024	Outstanding Balance 30/06/2023	Comments
	Ksh	Ksh		Ksh	Ksh	Ksh	
Supply of Services							
Program Implementation Team	N/A	13,687,333	01/07/2023	2,422,333	11,265,000	2,422,333	Outstanding part payments for March – June 2024.
Sub Total		13,687,333		2,422,333	11,265,000	2,422,333	

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 4: Reconciliation of Inter Entity Transfers as at 30th June, 2024

Direct Payments					
	Payee	Ref No.	Transaction Date	Kshs	FY
A/	Initial Financing Agreement				
01	Ljiljana Spasic -Gril	WA 0073	15/08/2023	727,218	2023/24
02	Pisurgic East Africa	WA 0076	31/03/2024	7,149,800	2023/24
03	Eco- Ethics Development Ltd	WA 0078	04/06/2024	4,741,333	2023/24
	Sub Total			12,618,351	2023/24
B/	Additional Financing Agreement				
04	SMEC Intl PTY	WA 0064	15/08/2023	11,635,353	2023/24
05	SMEC Intl PTY	WA 0065	15/08/2023	11,896,896	2023/24
06	SMEC Intl PTY	WA 0066	15/08/2023	13,448,696	2023/24
07	SMEC Intl PTY	WA 0067	15/08/2023	12,375,188	2023/24
08	SMEC Intl PTY	WA 0070	28/09/2023	15,056,694	2023/24
09	China Gezhouba Group Co Ltd	WA 0071	31/12/2023	199,238,713	2023/24
10	China Gezhouba Group Co Ltd	WA 0072	31/12/2023	28,061,791	2023/24
11	China Gezhouba Group Co Ltd	WA 0023	31/12/2023	53,317,402	2023/24
12	China Gezhouba Group Co Ltd	WA 0073	31/12/2023	161,036,949	2023/24
13	China Gezhouba Group Co Ltd	WA 0074	31/12/2023	22,681,260	2023/24
14	China Gezhouba Group Co Ltd	WA 0024	31/12/2023	43,094,395	2023/24
15	China Gezhouba Group Co Ltd	WA 0075	31/12/2023	162,049,505	2023/24
16	China Gezhouba Group Co Ltd	WA 0076	31/12/2023	22,823,874	2023/24
17	China Gezhouba Group Co Ltd	WA 0025	31/12/2023	43,365,360	2023/24
18	China Gezhouba Group Co Ltd	WA 0082	13/02/2024	82,191,189	2023/24
19	China Gezhouba Group Co Ltd	WA 0026	13/02/2024	21,994,825	2023/24
20	China Gezhouba Group Co Ltd	WA 0083	13/02/2024	11,576,224	2023/24
21	SMEC Intl PTY	WA 0077	27/03/2024	9,694,874	2023/24
22	SMEC Intl PTY	WA 0079	27/03/2024	19,904,690	2023/24
23	SMEC Intl PTY	WA 0078	27/03/2024	15,575,874	2023/24
24	SMEC Intl PTY	WA 0080	27/03/2024	14,854,840	2023/24
25	SMEC Intl PTY	WA 0081	27/03/2024	15,457,645	2023/24
26	China Gezhouba Group Co Ltd	WA 0084	27/03/2024	248,463,745	2023/24
27	China Gezhouba Group Co Ltd	WA 0027	27/03/2024	66,490,298	2023/24
28	China Gezhouba Group Co Ltd	WA 0085	27/03/2024	34,994,894	2023/24
29	China Gezhouba Group Co Ltd	WA 0087	25/04/2024	313,846,486	2023/24
30	China Gezhouba Group Co Ltd	WA 0088	25/04/2024	44,203,731	2023/24
31	China Gezhouba Group Co Ltd	WA 0028	10/05/2024	83,987,088	2023/24
32	China Gezhouba Group Co Ltd	WA 0089	10/05/2024	158,829,092	2023/24
33	China Gezhouba Group Co Ltd	WA 0090	10/05/2024	22,370,295	2023/24
34	China Gezhouba Group Co Ltd	WA 0029	10/05/2024	42,503,560	2023/24
35	China Gezhouba Group Co Ltd	WA 0091	14/06/2024	187,555,086	2023/24


THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024


36	China Gezhouba Group Co Ltd	WA 0092	14/06/2024	26,416,209	2023/24
37	China Gezhouba Group Co Ltd	WA 0030	14/06/2024	50,190,798	2023/24
	Sub Total			2,271,183,519	2023/24
	TOTAL			2,283,801,870	2023/24
	Loan Revenue				
01	Program Bank Account	EA/FA/78/7/028/D	04/09/2023	12,131,944	2023/24
02	Program Bank Account	EA/FA/78/7/028/D	22/04/2024	21,260,088	2023/24
	Total			33,392,032	2023/24



Eng. David Onyango, HSC
Program Coordinator



CPA Dr. Jenipher Owino
Ag. Head of Accounting Unit
ICPAK No.13143



CPA Tom B. Okello
Finance Mgt. Expert
ICPAK No. 4534

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 5: Summary of the Fixed Assets Register as at 30th June, 2024

	Opening Cost	Purchases/ Additions in the Year	Disposals in the Year	Transfers In/(Out)	Closing Cost
	2023/24	2023/24	2023/24	2023/24	2023/24
	a	b	c	d	e = a + b +d - c
	Kshs	Kshs	Kshs	Kshs	Kshs
Land	3,576,424,050	-	-	-	3,576,424,050
Civil Works – Dam	30,546,232,616	2,233,782,769	-	-	32,780,015,385
Transport Equipment	12,136,200	-	-	-	12,136,200
Office Equipment, furniture & Fittings	8,404,949	-	-	-	8,404,949
Total	34,143,197,815	2,233,782,769	-	-	36,376,980,584

Land constitutes the payments already made through NLC to the PAPs for the acquisition of land for the Thwake dam site.

Civil Works – Dam is the construction of the Thwake dam that is on-going.

The details of the various fixed assets procured by the Program since its inception are provided in the table below.

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

Table 2: Details of Fixed Assets as at 30th June, 2024

		Serial No.	Land	Civil Works – Dam Construction	Motor Vehicles	Office Equipment, Furniture and Fittings
01	Thwake Dam site		3,576,424,050	-	-	-
02	Executive Desks	MOWI/TMWDP/F001	-	-	-	62,517.00
03	Executive Desks	MOWI/TMWDP/F002	-	-	-	62,517.00
04	Executive Desks	MOWI/TMWDP/F003	-	-	-	62,517.00
05	Executive Desks	MOWI/TMWDP/F004	-	-	-	62,517.00
06	Executive Desks	MOWI/TMWDP/F005	-	-	-	62,517.00
07	Filling Cabinet	MOWI/TMWDP/F006	-	-	-	259,376.00
08	Executive Visitor's Chair	MOWI/TMWDP/F007	-	-	-	19,332.00
09	Executive Visitor's Chair	MOWI/TMWDP/F008	-	-	-	19,332.00
10	Executive Visitor's Chair	MOWI/TMWDP/F009	-	-	-	19,332.00
11	Executive Visitor's Chair	MOWI/TMWDP/F010	-	-	-	19,332.00
12	Executive Visitor's Chair	MOWI/TMWDP/F011	-	-	-	19,332.00
13	Executive Visitor's Chair	MOWI/TMWDP/F012	-	-	-	19,332.00
14	Executive Visitor's Chair	MOWI/TMWDP/F013	-	-	-	19,332.00
15	Executive Visitor's Chair	MOWI/TMWDP/F014	-	-	-	19,332.00
16	Executive Visitor's Chair	MOWI/TMWDP/F015	-	-	-	19,332.00
17	Executive Visitor's Chair	MOWI/TMWDP/F016	-	-	-	19,332.00
18	Executive High Back Chair	MOWI/TMWDP/F017	-	-	-	50,555.00
19	Executive High Back Chair	MOWI/TMWDP/F018	-	-	-	50,555.00
20	Executive High Back Chair	MOWI/TMWDP/F019	-	-	-	50,555.00
21	Executive High Back Chair	MOWI/TMWDP/F020	-	-	-	50,555.00
22	Executive High Back Chair	MOWI/TMWDP/F021	-	-	-	50,555.00
23	Filling Cabinet	MOWI/TMWDP/F022	-	-	-	44,210.00
24	Filling Cabinet	MOWI/TMWDP/F023	-	-	-	44,210.00
25	Filling Cabinet	MOWI/TMWDP/F024	-	-	-	44,210.00
26	Filling Cabinet	MOWI/TMWDP/F025	-	-	-	44,210.00

THWAI MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

27	Filling Cabinet	MOWI/TMWDP/F026	-	-	-	44,210.00
28	Pajero Station Wagon	GK B933J	-	-	6,068,100.00	-
29	Pajero Station Wagon	GK B934J	-	-	6,068,100.00	-
30	Fridge	MOWI/TMWDP/E001	-	-	-	115,280.00
31	Multipurpose Copier	MOWI/TMWDP/E002	-	-	-	358,500.00
32	Laptop Computer	MOWI/TMWDP/E003	-	-	-	118,060.50
33	Laptop Computer	MOWI/TMWDP/E004	-	-	-	118,060.50
34	Laptop Computer	MOWI/TMWDP/E005	-	-	-	118,060.50
35	Laptop Computer	MOWI/TMWDP/E006	-	-	-	118,060.50
36	Dam Construction	MWI/TMWDP – 1/WOO1/2017 – 2018	-	32,780,015,385	-	-
37	Compact Fire Proof Cabinet	MOWI/TMWDP/F026-1	-	-	-	139,850.00
38	Compact Fire Proof Cabinet	MOWI/TMWDP/F027	-	-	-	139,850.00
39	Compact Fire Proof Cabinet	MOWI/TMWDP/F028	-	-	-	139,850.00
40	Compact Fire Proof Cabinet	MOWI/TMWDP/F029	-	-	-	139,850.00
41	4 Drawer Steel Filling Cabinet	MOWI/TMWDP/F030	-	-	-	29,450.00
42	4 Drawer Steel Filling Cabinet	MOWI/TMWDP/F031	-	-	-	29,450.00
43	Executive Desk	MOWI/TMWDP/F032	-	-	-	85,500.00
44	Executive Desk	MOWI/TMWDP/F033	-	-	-	85,500.00
45	Executive Desk	MOWI/TMWDP/F034	-	-	-	85,500.00
46	Executive Desk	MOWI/TMWDP/F035	-	-	-	85,500.00
47	High Back Orthopaedic Chair	MOWI/TMWDP/F036	-	-	-	60,500.00
48	High Back Orthopaedic Chair	MOWI/TMWDP/F037	-	-	-	60,500.00
49	High Back Orthopaedic Chair	MOWI/TMWDP/F038	-	-	-	60,500.00
50	High Back Orthopaedic Chair	MOWI/TMWDP/F039	-	-	-	60,500.00
51	High Back Orthopaedic Chair	MOWI/TMWDP/F040	-	-	-	60,500.00
52	High Back Orthopaedic Chair	MOWI/TMWDP/F041	-	-	-	60,500.00
53	Medium Back Agronomic Chair	MOWI/TMWDP/F042	-	-	-	45,000.00
54	Medium Back Agronomic Chair	MOWI/TMWDP/F043	-	-	-	45,000.00
55	Medium Back Agronomic Chair	MOWI/TMWDP/F044	-	-	-	45,000.00
56	Medium Back Agronomic Chair	MOWI/TMWDP/F045	-	-	-	45,000.00

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I

Annual Report and Financial Statements for the financial year ended June 30, 2024

57	2 Way Secretarial Work Station	MOWI/TMWDP/F046	-	-	-	140,500.00
58	2 Way Secretarial Work Station	MOWI/TMWDP/F047	-	-	-	140,500.00
59	Projector Epson EB 541	MOWI/TMWDP/E007	-	-	-	84,600.00
60	Atlas Paper Shredder	MOWI/TMWDP/E008	-	-	-	61,200.00
61	Atlas Paper Shredder	MOWI/TMWDP/E009	-	-	-	61,200.00
62	Atlas Paper Shredder	MOWI/TMWDP/E010	-	-	-	61,200.00
63	Atlas Paper Shredder	MOWI/TMWDP/E011	-	-	-	61,200.00
64	Atlas Paper Shredder	MOWI/TMWDP/E012	-	-	-	61,200.00
65	Multi Sectorial Copier	MOWI/TMWDP/E013	-	-	-	495,000.00
66	Colour Printer HP MFP 477FDW	MOWI/TMWDP/E014	-	-	-	148,250.00
67	Colour Printer HP MFP 477FDW	MOWI/TMWDP/E015	-	-	-	148,250.00
68	Kyocera Printer Task Alfa 2040DN	MOWI/TMWDP/E016	-	-	-	125,300.00
69	Kyocera Printer Task Alfa 2040DN	MOWI/TMWDP/E017	-	-	-	125,300.00
70	Kyocera Printer Task Alfa 2040DN	MOWI/TMWDP/E018	-	-	-	125,300.00
71	HP Laptop Computer – Core i7	MOWI/TMWDP/E019	-	-	-	175,000.00
72	HP Laptop Computer – Core i7	MOWI/TMWDP/E020	-	-	-	175,000.00
73	HP Laptop Computer – Core i7	MOWI/TMWDP/E021	-	-	-	175,000.00
74	HP Laptop Computer – Core i7	MOWI/TMWDP/E022	-	-	-	175,000.00
75	HP Laptop Computer – Core i7	MOWI/TMWDP/E033	-	-	-	175,000.00
76	HP Laptop Computer – Core i7	MOWI/TMWDP/E034	-	-	-	175,000.00
77	HP Laptop Computer – Core i7	MOWI/TMWDP/E035	-	-	-	175,000.00
78	HP Laptop Computer – Core i7	MOWI/TMWDP/E036	-	-	-	175,000.00
79	HP Laptop Computer – Core i7	MOWI/TMWDP/E037	-	-	-	175,000.00
80	HP Laptop Computer – Core i7	MOWI/TMWDP/E038	-	-	-	175,000.00
81	Desktop Computer – HP Core i5	MOWI/TMWDP/E023/24	-	-	-	140,000.00
82	Desktop Computer – HP Core i5	MOWI/TMWDP/E025/26	-	-	-	140,000.00
83	Desktop Computer – HP Core i5	MOWI/TMWDP/E027/28	-	-	-	140,000.00
84	Desktop Computer – HP Core i5	MOWI/TMWDP/E029/30	-	-	-	140,000.00

THW/... MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I

Annual Report and Financial Statements for the financial year ended June 30, 2024

85	Desktop Computer – HP Core i5	MOWI/TMWDP/E031/32	-	-	-	140,000.00
86	Camera	MOWI/TMWDP/E039	-	-	-	427,521.00
	Total		3,576,424,050	32,780,015,385	12,136,200	8,404,949.00

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 6: Other Support Documents


- i. **Transfers Confirmation Template**

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM
MINISTRY OF WATER, SANITATION AND IRRIGATION
STATE DEPARTMENT FOR WATER AND SANITATION
P.O BOX 49720 – 00100, NAIROBI

The Thwake Multipurpose Water Development Program wishes to confirm the amounts received from you as at June 30, 2024 as indicated in the table below. Please compare the amounts received from you with the amounts you disbursed. Then please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts disbursed by the Ministry of Water, Sanitation and Irrigation – State Department for Water and Sanitation as at June 30, 2024						
Reference No.	Date Received	Amounts released to Thwake Multipurpose Water Development Program as at June 30, 2024			Amounts received by the Program as at June 30, 2024 (D)	Difference E = (C – D)
		Development (A)	Inter – Project (B)	Total (C)		
		Kshs	Kshs	Kshs	Kshs	Kshs
EA/FA/78/7/028/D	04/09/2023	12,131,944	-	12,131,944	12,131,944	-
EA/FA/78/7/028/D	22/04/2024	21,260,088	-	21,260,088	21,260,088	-
						-
Total		33,392,032	-	33,392,032	33,392,032	-

I confirm that the amounts shown above are correct as of the date indicated.

Name DR. JESNIFER OWINDO Signature 

Date 16/09/2024

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

ii. Bank Reconciliation Statement as at 30th June, 2024

				F.O 30
MINISTRY OF WATER, SANITATION AND IRRIGATION				
THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM - LOAN				
BANK RECONCILIATION STATEMENT AS AT 30/06/2024				
EQUITY BANK A/C '0720262733899			KITUI BRANCH	
		Kshs.	Kshs.	Kshs.
Balance as per Bank Statements				2,227,386
Less:				
1. Payments in cashbook not yet recorded in bank statement (Unpresented Cheques)		1,890,000		
			1,890,000	
2. Receipts in bank statement not yet recorded in cashbook		-		
Add:				
3. Payments in bank statement not yet recorded in cashbook		-		
4. Receipts in cashbook not yet recorded in bank statement.		-		
Balance as per the Cashbook.....				337,386

I certify that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct.

Prepared By: TOM B. DJELLO

Finance Mgt. Expert



THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

MINISTRY OF WATER, SANITATION & IRRIGATION			
THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM - LOAN			
BANK RECONCILIATION STATEMENT AS AT 30/06/2024			
SCHEDULE OF UNPRESENTED CHEQUES AS AT 30/06/2024			
Date	Cheque No.	Payee	Amount
30/06/2024	1232	Peter M. Musuva	380,000
30/06/2024	1241	Equity Bank Ltd	20,000
30/06/2024	1249	Peter M. Musuva	380,000
30/06/2024	1257	Equity Bank Ltd	20,000
30/06/2024	1265	Peter M. Musuva	380,000
30/06/2024	1273	Equity Bank Ltd	20,000
30/06/2024	1281	Peter M. Musuva	380,000
30/06/2024	1289	Equity Bank Ltd	20,000
30/06/2024	1297	Peter M. Musuva	270,000
30/06/2024	1304	Equity Bank Ltd	20,000
		Total	1,890,000
SCHEDULE OF PAYMENTS IN BANK NOT IN CASHBOOK (BANK CHARGES)			
Date		Bank Charge	Ksh
		Total Bank Charges	
SCHEDULE OF RECEIPTS IN BANK NOT IN CASHBOOK			
			-



HEAD OFFICE: P.O.Box : 75104 - 00200 Nairobi, Tel: 020-2262000 Fax: 2737276, Mobile: 0711 026000,0732 112000, Email: info@equitybank.co.ke, Website: www.equitybank.co.ke

To,

THWAKE MULTI-PURPOSE WATER
DEVELOPMENT PROGRAMME PHASE 1
P.O.BOX 49720
NAIROBI
KE
00100

Branch ID : 072
Customer Name : THWAKE MULTI-PURPOSE WATER
DEVELOPMENT PROGRAMME PHASE 1
Product Name : CAA
Currency : KES

Account Statement 0720262733899

Statement Period (From 01-05-2024 To 30-06-2024)

Tran Date	Value Date	Tran Particulars	Instrument Id	Debit	Credit	Balance
08-05-2024	08-05-2024	2020240001062719 THWAKE MULTIPURPOSE WATER DEVELO	1244	20,000.00		2,807,731.40
08-05-2024	08-05-2024	Transfer Charge		115.00		2,807,616.40
08-05-2024	08-05-2024	2020240001062478 THWAKE MULTIPURPOSE WATER DEVELO	1224	20,000.00		2,787,616.40
08-05-2024	08-05-2024	Transfer Charge		115.00		2,787,501.40
19-06-2024	19-06-2024	ChequeNo.001208 Presented	1208	180,000.00		2,607,501.40
19-06-2024	19-06-2024	ChequeNo.001216 Presented	1216	380,000.00		2,227,501.40
19-06-2024	19-06-2024	Inward Clearing Charge		57.50		2,227,443.90
19-06-2024	19-06-2024	Inward Clearing Charge		57.50		2,227,386.40
Grand Total				600,345.00	0.00	2,227,386.40



Note: Any omission or errors in this statement should be promptly advised in writing to the Branch Manager within 30 days from the date of receipt otherwise the account will be presumed to be in order.

PK1670020240701092751

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

iii: Board of Survey Report

Date: July 15th 2024

Report of the Board of Survey on the Cash and Bank Balances of ...Thwake Multipurpose Water Development Program...as at close of business on30/06/2024

The Board consisting of – (Names and Official Titles)

1. Nicholas Mito - Finance Unit (Chairman)
2. Sarah Muriithi – Accounting Unit (Member)
3. Eugene Buluma – Finance Unit (Member)

Assembled in the office of ...Thwake Multipurpose Water Development Program.....at ...10.00am..... (time) on the ...15th July, 2024 as the following cash was produced:

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

It was observed that cheques amounting to Sh 1,890,000 had been on hand for more than 14 days prior to the date of the survey.

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

The cash book reflected the following balances as at the close of business on the 30/06/2024

Cash on Hand	Sh ...NIL.....
Bank Balance	Sh 337,386.00.....
Total	Sh 337,386.00_____

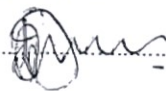
The Bank Certificate of Balance showed a sum of Sh 2,227,386...standing to the credit of the account on ...30/06/2024.

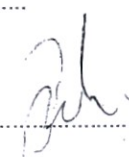
The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (FO 30) attached.

Date 15.7.2024


.....

Chairman


.....


.....

Members of the Board



Our ref: EB (K) L/017/ 54300516447

MAJI HOUSE

NGONG ROAD,

P.O Box 49720-00100

Nairobi

Kenya.

111th JULY 2024

Dear sir /madam,

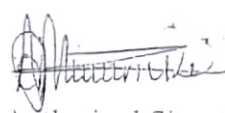
RE: CERTIFICATE OF BANK BALANCE - THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAMME PHASE 1- A/C NUMBER 0720262733899.

We refer to the letter sent on 10/07/2024 requesting that we furnish you with a certificate of bank balance for THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAMME PHASE 1 A/C Number 0720262733899. We hereby confirm the balances of the account 0720262733899 THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAMME PHASE 1 as of 30th JUNE 2024 was; Kes 2,227,386. (Two million two hundred and twenty-seven thousand three hundred and eighty-six).

Yours Sincerely,

EQUITY BANK (KENYA) LIMITED


Authorized Signatory


Authorized Signatory



REPUBLIC OF KENYA
MINISTRY OF WATER, SANITATION AND IRRIGATION
STATE DEPARTMENT FOR WATER AND SANITATION

MAJI HOUSE
NGONG ROAD
P. O. BOX 49720-00100
NAIROBI
Website: www.water.go.ke

Telegrams: "MAJI" Nairobi
Telephone: +254204900303
G.L +254 20 2716103
Fax: +254 20 2728703
Email: ps@water.go.ke

MWSI/WTR/BOS/2023/2024/15

28/06/2024

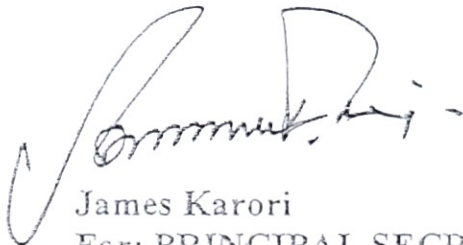
The Project Coordinator
Thwake Multipurpose Water Development Program
NAIROBI

RE: BOARD OF SURVEY FINANCIAL YEAR 2023-2024

In accordance with section 5.9.9.2 of the Government Financial Regulations and procedures. The following officers have been appointed to carry out the above exercise.

Mr. Nicholas Mito	-	Finance Unit
Ms. Sarah Muriithi	-	Accounting Unit
Mr. Eugen Buluma	-	Finance Unit

Kindly make the necessary arrangements to enable them carry out the exercise as required.



James Karori
For: PRINCIPAL SECRETARY

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1
Annual Report and Financial Statements for the financial year ended June 30, 2024

iv. Special Account Reconciliation Statement as at 30th June, 2024

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2024
Account No.	1000213507
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	THWAKE M-P WATER- LN 2100150029993
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2023
as per C.B.K. Ledger Account 0.00

Add:

Total Amount deposited by World Bank 247,547.20

Total Interest earnings if deposited in account

Total amount refunded to cover ineligible
expenditure

Deduct:

Total amount withdrawn 247,547.20

Total service charges if not included above in
amount withdrawn

Ending balance on 30th June, 2024 0.00

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE

01-08-2024

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE

02-08-2024

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2024 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 4 of 4

Run Date: 15/07/2024 Run Time: 11:52:36
CENTRAL BANK OF KENYA
BANKI KUU YA KENYA
P.O.BOX 60000-0200
NAIROBI

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000213507

ACCOUNT TITLE : THWAKE M-P WATER- LN 2100150029993
30/06/2024

STATEMENT PERIOD: From 01/07/2023 To

NO. DATE REFERENCE NO DETAILS DEBIT CREDIT BALANCE

OPENING BAL : 0.00

NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	06/07/2023	FT23187B36N3	DFCC	0.00	84,284.73	84284.73
2	17/08/2023	FT23229JTG6D	PA131601	-84,284.73	0.00	0
3	15/03/2024	FT240756R7CM	FUNDING	0.00	163,262.47	163262.47
4	09/04/2024	FT24100VCCZK	PA 133107	-163,262.47	0.00	0

CLOSING BALANCE : 0

END OF ACCOUNT STATEMENT

Favourites TAM.E.STMT.OF.ACCT.EPRM

Account equals 1000213507

Statement From equals 20230701

Statement To equals 20240630

TAM.E.STMT.OF.ACCT.EPRM

[More Options](#) [Clear Selection](#)

146
C

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAMME PHASE 1
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30TH JUNE 2024
PART B: ACCOUNT RECONCILIATION STATEMENT

PROJECT No. 2100150029993

Bank Account No.1000213507 Held with Central Bank of Kenya

	NOTES	AMOUNT	AMOUNT
		USD	USD
1	Amount advanced by ADB		3,059,397.13
	Less		
2	Total amount justified to ADB		2,862,714.74
3	Outstanding amount advanced to Designated Account		196,682.39
	Represented by:		
4	Ending Designated Account Balance at 30.06.2024		-
5	Amount claimed but not credited at 30.06.2024		-
6	Amount withdrawn and not claimed as at 30.06.2024		196,682.39
7	Service charges (if not included in 5 & 6 above)		-
	Less		
8	Interest earning (if included in Designated Account)		-
9	Total advance to Designated Account year ended 30.06.2024		196,682.39

Discrepancy between total appearing on lines 3 and 9 -

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by ADB and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by ADB and shall be documented in subsequent IFRs/SOEs

AUTHORIZED REPRESENTATIVE

RESOURCES MOBILIZATION DEPARTMENT - TREASURY DATE: 02-08-2024

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the financial year ended June 30, 2024

Reconciliation of the Amount Withdrawn and not claimed as at 30th June, 2024

		USD	USD
01	Amount as per the Special Account Reconciliation		196,682.39
02	Amount justified as per AfDB Statement	2,862,714.74	
03	Corrected Justifications as per 0044JUS	2,857,389.22	
04	Over justification as per AfDB Statement (02 – 03)		5,325.52
05	Corrected Amount withdrawn and not yet justified (01 + 04)		202,007.91
06	Justification in process in National Treasury not submitted by 30 th June 2024 to AfDB – 0045JUS. Later submitted to AfDB in July 2024.	35,633.38	
07	Justification in process in National Treasury not submitted by 30 th June 2024 to AfDB – 0046JUS. Later submitted to AfDB in July 2024.	144,585.34	
08	Payments between 30 th April – 30 th June 2024 to be justified as 0047JUS (Equiv. Ksh 600,345)	4,610.24	
09	Balance held in Program Bank Account (Equiv. Ksh 2,227,386)	17,104.79	
10	Replenishment in process to Program Bank Account	-	
11	Bank charges by CBK	75.00	
12	Total Amount Explained (06+07+08+09+10)		202,008.75
13	Rounding Off (05 – 11)		(0.84)