REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

AUDITOR-GENERAL'S SUMMARY REPORT
ON WATER COMPANIES

2023 - 2024

VISION

Making a difference in the lives and livelihoods of the Kenyan people

MISSION

Audit services that impact on effective and sustainable service delivery

OUR CORE VALUES

Integrity • Credibility • Relevance • Accountability • Independence

AUDITOR-GENERAL'S

SUMMARY REPORT

ON

WATER COMPANIES

2023-2024

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Foreword

This report is a summary of cross-cutting audit findings in the audit reports of Water Companies for the year ended 30 June, 2024.

The Auditor-General is mandated by the Constitution of Kenya under Article 229, to audit and report on the use of public resources by all entities funded from public funds. These entities include the National Government, County Governments, the Judiciary, Parliament, Statutory Bodies/State Corporations, Commissions, Independent Offices, Public Debt, Political Parties funded from public funds, other government agencies and any other entity funded from public funds. In addition, Article 229(6) requires the Auditor-General to confirm whether or not public resources have been applied lawfully and in an effective way. The mandate of the Auditor-General is further expounded by the Public Audit Act, 2015.

Article 229(7) of the Constitution requires the Auditor-General to audit and submit reports to Parliament or the relevant County Assembly within six (6) months after the end of the financial year. However, Section 81(4) of the Public Finance Management Act, 2012, reduces the timelines for audit and reporting to three (3) months by giving entities leeway up to the end of September to prepare and submit financial statements for audit. This reduces the duration for audit and reporting from six (6) months as mandated by the Constitution to three (3) months. This has been adversely affecting the audit scope and quality in reporting, which affects the efficiency and effectiveness of oversight by Parliament and the County Assemblies.

Further, the mechanism for follow up on implementation of audit recommendations is ineffective and as such most audit queries recur in subsequent years due to lack of decisive action. Section 204(1)(g) of the Public Finance Management Act, 2012 provides that the Cabinet Secretary for matters relating to finance may apply sanctions to a national government entity that fails to address issues raised by the Auditor-General, to the satisfaction of the Auditor-General.

However, despite numerous reports indicating lack of accountability and documents to support the legality and effectiveness in the use of public resources, failure to apply the requisite sanctions and consequences has resulted to some Accounting Officers not adequately accounting for the management and use of public resources with impunity. Lack of action and sanctions has also led to fiscal indiscipline including misallocations, wastage of resources, lack of value for money in implementation of projects and loss of public funds, thereby impacting negatively on development programmes. This in turn threatens economic growth and sustainability of quality service delivery to citizens. There are instances where some Accounting Officers are in breach of Section 62 of the Public Audit Act, 2015 by failing to adequately prepare for audit which is exhibited by inaccuracies in financial statements presented for audit, lack of requisite supporting documents, several revisions of financial statements and, in some cases, lack of cooperation with the auditors during the audit process.

The Office of the Auditor-General has been continuously improving on the effectiveness and quality of the audit process to ensure that the results of the audit and the recommendations thereof are credible, relevant, reliable and value-adding. This is geared towards influencing improved decision making and positive impact on the lives and livelihoods of citizens and other stakeholders. Provision of quality and effective audit services and confirmation of the lawfulness and effectiveness in use of public resources requires comprehensive scrutiny and evaluation of supporting documents. Most critical is the physical confirmation of the existence and utilization of projects or programmes implemented throughout the country. To achieve this requires an independent and well-resourced audit Office with guaranteed adequate funding to enable efficient, effective and timely execution of oversight as well as retention of optimal staffing levels to ensure continuous, quality and sustainable audit operations.

The Office continues to seek financial independence and support from Parliament and the Executive through The National Treasury for enhancement of resources to enable us build technical capacity, expand our presence in the counties, widen the scope and comprehensiveness of audit and motivate staff. We continue to devolve our services closer to the people through establishment of Regional Offices and construction of office premises to accommodate our staff in order to address the audit needs at the devolved level. We have established fifteen (15) Regional Offices and constructed office premises in Garissa, Kakamega, Eldoret and Embu. Plans for construction of a Regional Office in Mombasa and our Headquarters in Nairobi, are currently at the design stage and have been delayed by lack of adequate funding. However, the Office will continue to appeal to Parliament and The National Treasury for adequate funds to enable us to perform our functions and achieve our mandate in enhancing accountability across government, both at the national and county levels, and in all other entities funded from public funds.

The audit scope has been expanding over the years due to the expansion of Government programs to ensure sustainable development and delivery of continuous and quality services to the citizens. This has led to growth in the national budget and establishment of additional entities that I am required to audit and report on. In addition to Ministries, Departments and Agencies (MDAs), State Owned Enterprises and County Governments entities, all the over nine thousand (9,000) Public Secondary Schools were from 30 June, 2021 required to prepare and submit financial statements to the Auditor-General for audit and quite a number have complied. I am also required to audit and report on financial statements for all the three hundred and seventy-six (376) Level 4 hospitals and eighteen (18) Level 5 hospitals separately. Further, in the current financial year, I am required to audit a total of thirty-five (35) Teachers' Training Colleges, two hundred and thirty (230) Technical and Vocational Education and Training (TVET) Institutions funded by the Exchequer and Community Vocational Training Institutions estimated to be over one thousand and two hundred (1,200). In addition, implementation of new projects and establishment of new funds requires timely oversight.

During the period under review, the Office made great strides in enhancing delivery of audit services to the people of Kenya. The Office has entered into partnerships with other Supreme Audit Institutions (SAIs) regionally and globally and with local oversight institutions such as the Ethics and Anti-Corruption Commission (EACC), the State Corporations Advisory Committee (SCAC), the Salaries and Remuneration Commission (SRC), the Commission on Revenue Allocation (CRA) among other organizations, as we strive to increase the impact of audit through learning, knowledge sharing, innovation, and collaboration.

Specific reports together with my opinion for each of the entity are contained in the respective Water Company's audited financial statements for the year ended 30 June, 2024, which I have already submitted to Parliament, and the respective Accounting Officer.

I thank the entire staff of the Office of the Auditor-General for their commitment, passion and professionalism in carrying out their duties despite the challenges posed by lack of adequate funds and tight timelines. Special appreciation goes to the Team that compiled this Summary Report.

I also appreciate my clients or auditees for the cooperation they accorded to my staff during the audit.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 July, 2025

1.0 INTRODUCTION

1.1 Constitutional Mandate of the Auditor-General

The Office of the Auditor-General (OAG) is an Independent Office established by Article 229 of the Constitution of Kenya. The Office is charged with the primary oversight role of ensuring accountability in the use of public resources within the three arms of Government (the Legislature, the Judiciary and the Executive) as well as the Constitutional Commissions and Independent Offices. The mandate of the Auditor-General is further expounded by the Public Audit Act, 2015.

The Constitution requires the Auditor-General to audit and submit the audit reports of the public entities to Parliament and the relevant County Assemblies by 31 December, every year. In carrying out the mandate, the Auditor-General, is also required, under Article 229(6) to assess and confirm whether the public entities have utilised the public resources entrusted to them lawfully and in an effective way.

Further, the objects and authority of the Auditor-General, as outlined in Article 249 of the Constitution, are: to protect the sovereignty of the people; to secure the observance by all State Organs of democratic values and principles; and, to promote constitutionalism. The Auditor-General has also been given powers by the Constitution, under Article 252, to conduct investigations, conciliations, mediations and negotiations and to issue summons to witnesses for investigations.

1.2 Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) as prescribed by the Public Sector Accounting Standards Board (PSASB), and 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.

Management is also responsible for maintaining an effective internal control environment necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for the assessment of the effectiveness of internal control, risk management and governance.

Further, Management is required to ensure that the activities, financial transactions and information reflected in the financial statements, are in compliance with the law and other relevant or applicable authorities, and that public resources are applied in an effective way.

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

1.3 Auditor-General's Responsibility

My responsibility is to conduct an audit of the financial statements in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and to issue an auditor's report. The audit report includes my opinion as provided by Section 48 of the Public Audit Act, 2015, and the report is submitted to Parliament in compliance with Article 229(7) of the Constitution.

In addition, Article 229(6) of the Constitution requires me to 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 law and other authorities that govern them, and that public resources are applied in an effective way. I also consider the entities' 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.

A 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.

I am independent in accordance with Article 249(2) of the Constitution of Kenya and 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 public entities in the Republic of Kenya.

1.4 Reporting Structure

The structure of my report addresses the reporting requirements of Article 229 (4) of the Constitution of Kenya, which requires that I audit and report on preparation and fair presentation of financial statements in accordance with the International Public Sector Accounting Standards, as prescribed by the Public Sector Accounting Standards Board.

Further, Article 229(6) of the Constitution requires that an audit report shall confirm whether or not public resources have been applied lawfully and in an effective way. In addition, Section 7(1) (a) of the Public Audit Act, 2015 requires that I provide assurance on the effectiveness of internal controls, risk management and overall governance.

In addition, the International Standards of Supreme Audit Institutions (ISSAIs), require the incorporation of Key Audit Matters in the report on the financial statements, which are those matters that I determine in my professional judgment, are of most significance in the audit of the financial statements as a whole, for the year under review.

In order to address these requirements, my audit reports contain the following:

i. **Report on the Financial Statements**, in which I give an audit opinion on whether the financial statements present fairly, in all material respects the financial position and performance of the entity.

ii. **Report on Lawfulness and Effectiveness in Use of Public Resources**, in which I give a conclusion on whether or not public resources have been applied lawfully and in an effective way.

iii. **Report on Effectiveness of Internal Controls, Risk Management and Governance,** in which I give a conclusion on whether internal controls, risk management and overall governance were effective.

iv. **Report on Other Legal and Regulatory Requirements** is included where applicable, especially for the entities that are registered under the Companies Act, 2015 and any other enabling legislation or authorities that require such disclosure.

1.5 Audit Opinions

I have expressed different types of audit opinions based on the following criteria:

a) Unmodified Opinion

The books of accounts and underlying records agree with the financial statements and no material misstatements were found. The financial statements present fairly, in all material respects, the operations of the entity.

b) Qualified Opinion

Financial transactions were recorded and are to a large extent in agreement with the underlying records, except for cases where I noted material misstatements or omissions in the financial statements. The issues though material, are not widespread or persistent.

c) Adverse Opinion

The financial statements exhibit significant misstatements with the underlying accounting records. There exists significant disagreement(s) between the financial statements and the underlying books of accounts and/or standards. These discrepancies and misstatements are widespread, persistent and require considerable interventions by Management to rectify.

d) Disclaimer of Opinion

The financial statements exhibit serious and significant misstatements that may arise from inadequate information, limitation of scope, inadequacy or lack of proper records such that I was not able to form an opinion on the financial operations.

1.6 Water Sector and the Regulatory Framework

Access to clean and safe water and adequate sanitation services forms the foundation to public health, human dignity, and economic development. Kenya's commitment to achieving United Nations Sustainable Development Goal 6 by ensuring universal access to water and sanitation by 2030 is constitutionally enshrined under Article 43(1)(b) and (d), which recognizes these services as fundamental economic and social rights.

The Kenyan Constitution establishes water and sanitation as basic human rights, creating a legal obligation for the state to progressively realize these rights for all citizens. Article 43(1)(b) and (d) specifically guarantee every person the right to reasonable standards of sanitation and access to clean and safe water in adequate quantities. This constitutional provision serves as the cornerstone upon which Kenya's entire water sector regulatory framework is built, providing both the mandate and the legal imperative for comprehensive water service delivery.

The Fourth Schedule of the Constitution further delineates the shared responsibility between national and county governments in water management, establishing a cooperative governance structure that recognizes the multi-level nature of water resource management and service delivery.

Kenya's water sector operates under a comprehensive legal framework designed to align institutional structures with constitutional mandates. The Water Act, 2016, which repealed the earlier Water Act of 2002, establishes the regulatory foundation for water and sanitation services delivery. This landmark legislation represents a significant shift towards decentralized water service provision while maintaining national oversight and standards.

The sector's regulatory architecture is further supported by the National Water Master Plan, which provides strategic guidance for water resource management aligned with Kenya's socio-economic development objectives, and the National Water Policy 2021, which aims to achieve sustainable management, development, and utilization of water resources nationwide. The Water Services Regulatory Board (WASREB) serves as the independent economic regulator for water and sanitation services, responsible for setting standards, licensing service providers, determining tariffs, and monitoring sector performance.

Kenya's water sector regulatory framework represents a comprehensive approach to water governance that balances constitutional rights, sustainable resource management, and service delivery imperatives. The framework's success depends on effective implementation, adequate financing, and sustained commitment from all stakeholders to achieve universal water and sanitation access by 2030. Continued refinement and strengthening of this regulatory architecture will be essential for meeting Kenya's water security challenges and fulfilling the constitutional promise of water and sanitation for all citizens.

2.0 KEY AUDIT FINDINGS

The section below highlights key audit findings made during the audit of the financial statements for Water Companies for the year ended 30 June, 2024.

2.1 Ownership of Water Companies

Section 77 of the Water Act, 2016 provides that a county government shall establish Water Companies which may be a public limited liability company established under the Companies Act, 2015 or other body providing water services as may be approved by the Water Services Regulatory Board. However, review of ownership documentation indicated that nineteen (19) Water Companies did not provide share certificates and details of payment for the shares as detailed in ***Appendix 1***.

In the absence of share certificates and details of payment for the shares, the ownership status of these Companies could not be confirmed.

2.2 Overall Budget Review

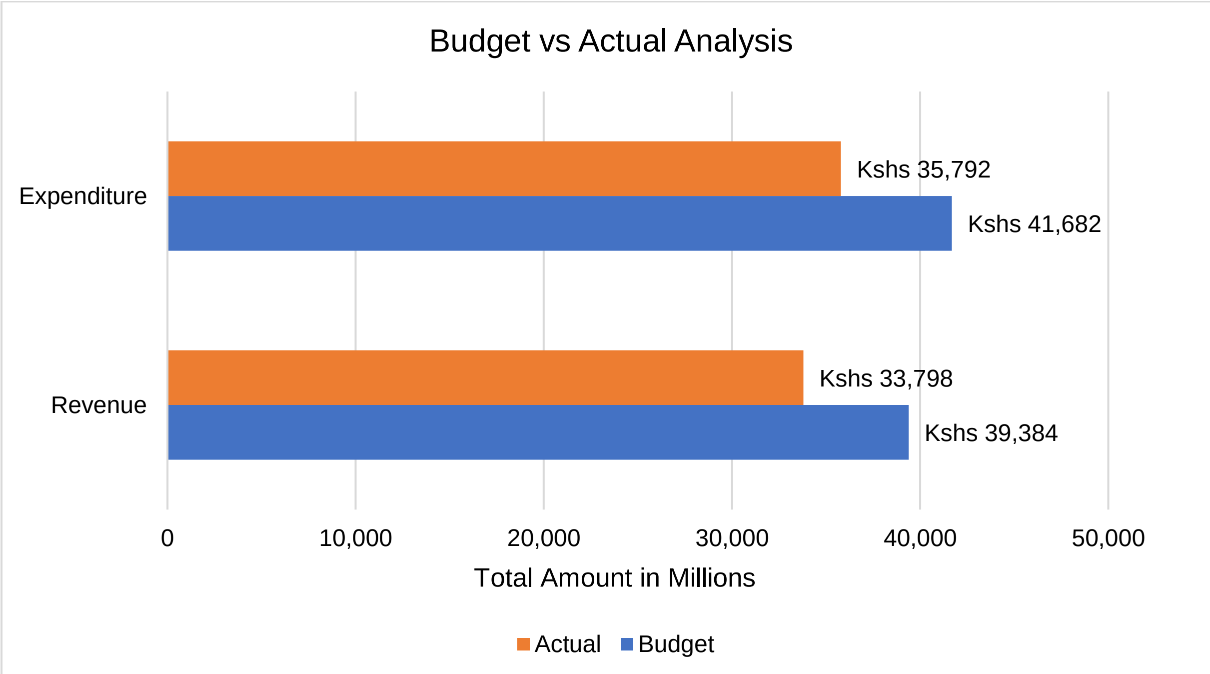
Review of the eighty-seven (87) Water Companies' budget and expenditure for the year 2023/2024 revealed gross estimated revenue and expenditure for the water companies for the year 2023/2024 amounted to Kshs.39,384,153,028 and Kshs.41,681,715,343, respectively. Similarly, the actual gross revenue and expenditure amounted to Kshs.33,798,235,249 and Kshs.35,792,237,676 respectively resulting in under collection and underutilization of Kshs.5,585,917,779 and Kshs.5,889,477,667, respectively or 14% of the budget.

The under collection and underutilization affected the planned activities and may have impacted negatively on service delivery to the public as summarized in **Table 1** below and **Figure 1** below.

Table 1: Budgeted Versus Actual Expenditure and Revenue for the Financial Year 2023/2024

Description	Budget (Kshs)	Actual (Kshs)	Under Performance (Kshs)	Under Performance Percentage
Revenue	39,384,153,028	33,798,235,249	5,585,917,779	14%
Expenditure	41,681,715,343	35,792,237,676	5,889,477,667	14%

Figure 1: Budgeted vs Actual Expenditure and Revenue for the Financial Year 2023/2024



2.3 Revenue Analysis

2.3.1 Revenue Trend Analysis

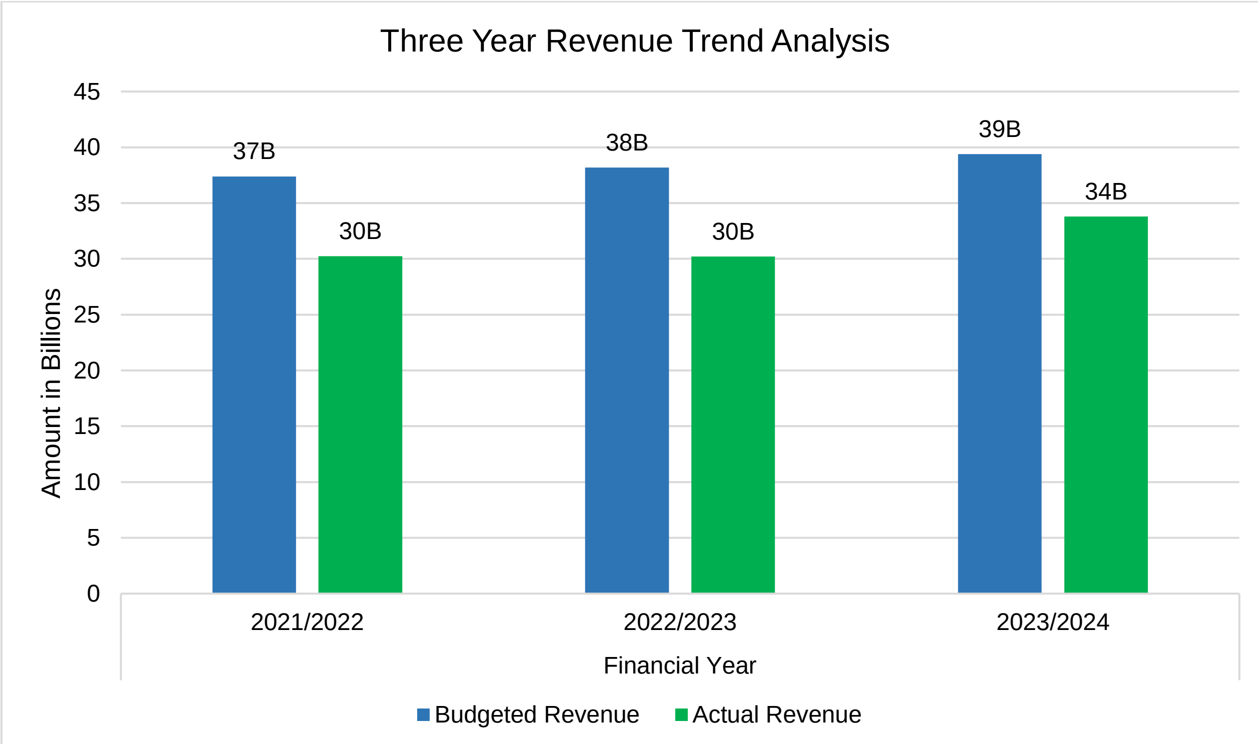
During the financial year 2023/2024, the combined Water companies' total approved budgeted revenue amounted to Kshs.39,384,153,028, which was an increase of Kshs.1,988,774,819 or 5% from the 2021/2022 financial year's revenue budget of Kshs.37,395,378,209.

Further, revenue collection for the water companies has increased over the last three (3) years from an amount of Kshs.30,238,378,571 in the year 2021/2022 to an amount of Kshs.33,798,235,249 in the year 2023/2024 representing an increase of Kshs.3,559,856,678 or approximately 12%. This upward trend has correspondingly expanded the audit scope over the period as detailed in **Appendix 2** and summarized in **Table 2** and as illustrated in **Figure 2** below.

Table 2: Three Year Revenue Trend

Description	Financial Year		
	2021/2022 (Kshs)	2022/2023 (Kshs)	2023/2024 (Kshs)
Budgeted Revenue	37,395,378,209	38,183,293,581	39,384,153,028
Actual Revenue	30,238,378,571	30,221,699,542	33,798,235,249
Shortfall	7,156,999,638	7,961,594,039	5,585,917,779

Figure 2: Three Year Revenue Trend Analysis

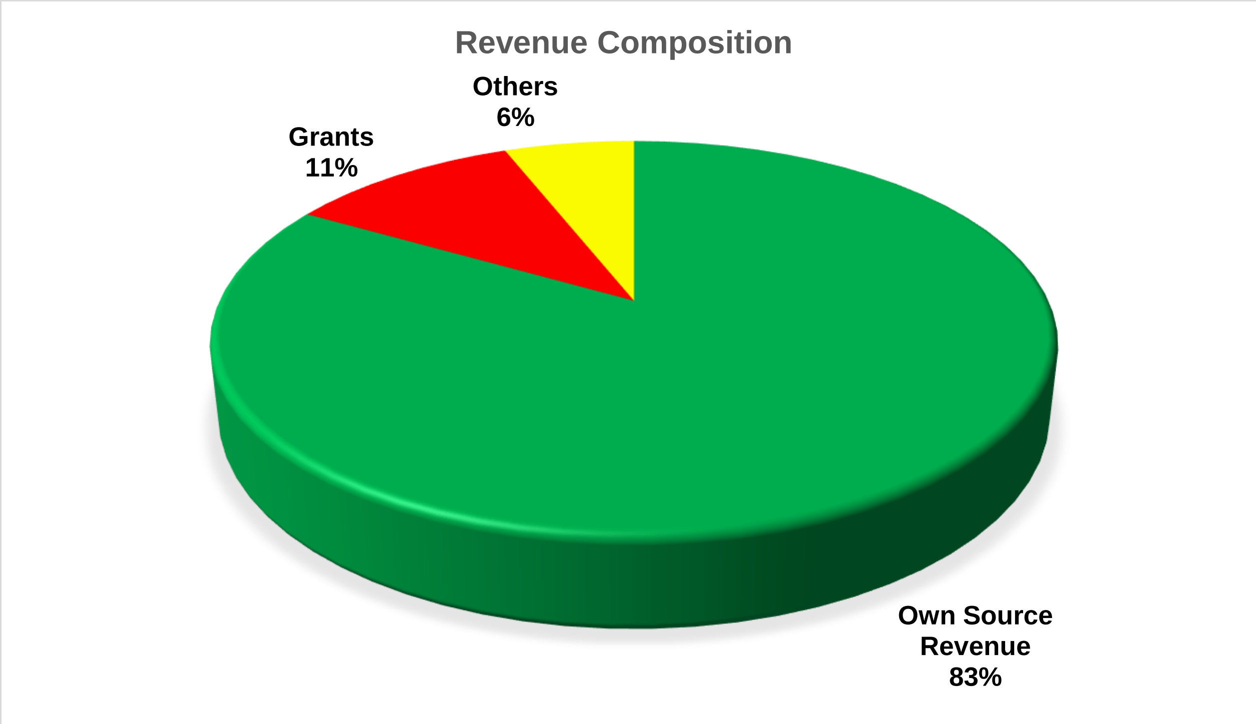


In addition, the composition of the actual revenue for the eighty-seven (87) water companies is shown in the **Table 3** and as illustrated in **Figure 3** below:

Table 3: Revenue Composition

Description	Amount (Kshs)	Revenue Percentage
Own Source Revenue	28,162,615,183	83%
Grants	3,616,435,912	11%
Others	2,019,184,154	6%
Total	**33,798,235,249**	

Figure 3: Revenue Composition



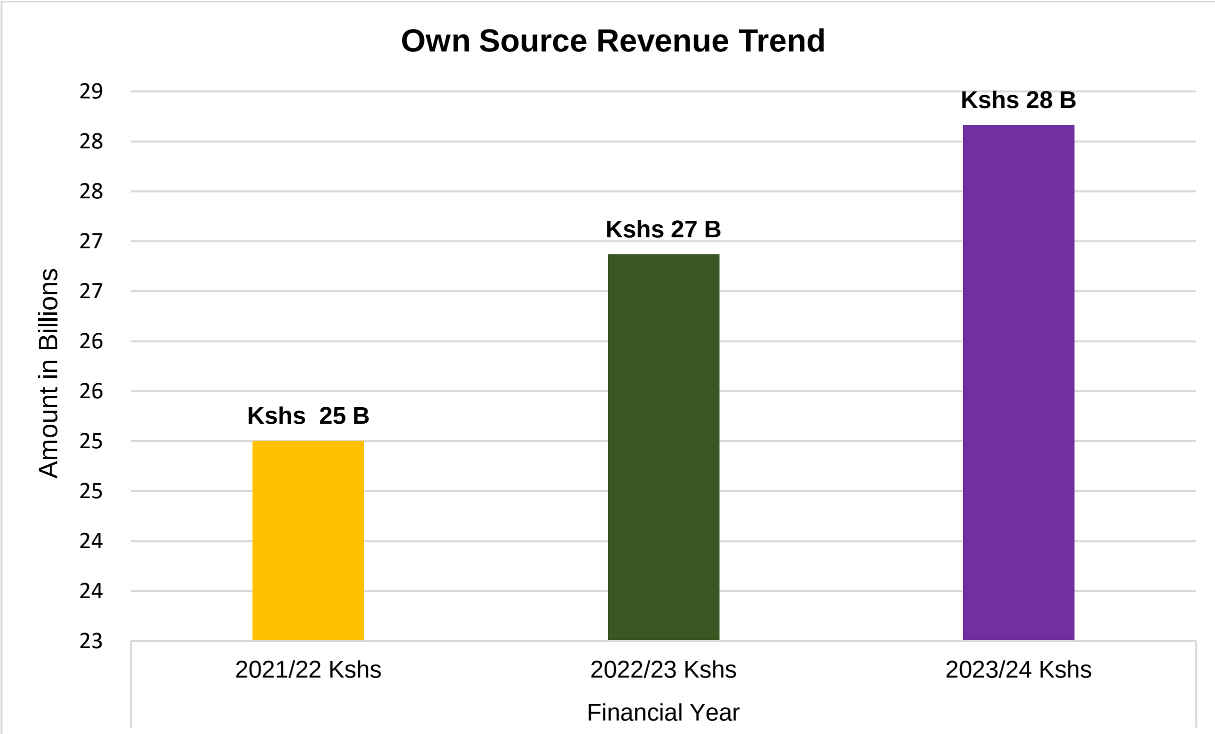
2.3.2 Own Source Revenue Analysis

During the financial year 2023/2024, the Water Companies managed to raise Own-Source Revenue (OSR) amounting to Kshs.28,162,615,183 against total revenue budget of Kshs.39,321,426,881 resulting in an aggregated shortfall of Kshs.11,158,811,698 or 28% of the budget. However, this was an improvement of 5% from an amount of Kshs.26,867,388,172 reported in the previous financial year. **Table 4** below indicates the trend in OSR collection for the last three (3) years with an analysis of revenue collected per Water Company detailed in ***Appendix 3*** and as illustrated in **Figure 4.**

Table 4: Revenue Composition

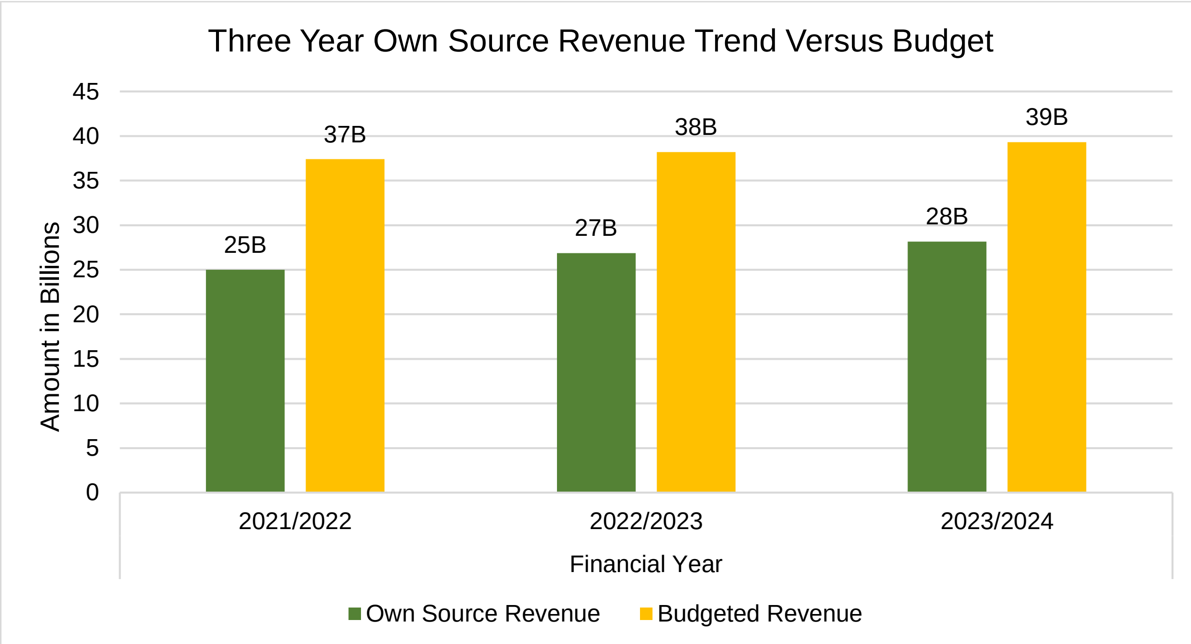
Financial Year	Budgeted Revenue (Kshs)	Own Source Revenue (Kshs)	Shortfall (Kshs)	% Shortfall
2023/2024	39,321,426,881	28,162,615,183	11,158,811,698	28%
2022/2023	38,183,293,581	26,867,388,172	11,315,905,409	30%
2021/2022	37,395,378,209	25,004,189,926	12,391,188,283	33%

Figure 4: Three Year Own Source Revenue Trend



The above performance is illustrated in **Figure 5** below which demonstrates the trend in Own-Source Revenue collection from 2021/2022 to 2023/2024 financial years.

Figure 5: Three Year Own Source Revenue Trend Versus Budget Trend



From the analysis of the financial statements, eight (8) Companies' actual revenue surpassed the budgeted revenue as detailed in **Table 5** below:

Table 5: Actual Revenue Surpassed Budgeted Revenue

S/No.	Water Company	Budgeted Revenue (Kshs)	Total Revenue (Kshs)	Surplus (Kshs)	Performance %
1	Garissa Water and Sewerage Company Ltd	395,155,481	769,505,864	374,350,383	195%
2	Gulf Water Services Company Limited	25,199,289	40,513,244	15,313,955	161%
3	Nyanas Water and Sanitation Company Limited	28,737,944	44,991,507	16,253,563	157%
4	Githunguri Water and Sanitation CompanyCompany Ltd	55,508,615	73,157,649	17,649,034	132%
5	Murang'a West Water and Sanitation Company Limited	113,592,682	115,362,420	1,769,738	102%
6	Othaya Mukurweini Water and Sanitation Company Company Ltd	195,082,149	196,896,947	1,814,798	101%
7	Kathiani Water and Sanitation Company Ltd	19,227,000	19,457,631	230,631	101%
8	Isiolo Water and Sewerage Company Ltd	110,302,200	110,417,228	115,028	100%

Further, analysis revealed that five (5) of the eight (8) Companies above exceeded budgeted revenue due to receipt of significant grant income as shown in the **Table 6** below:

Table 6: Actual Revenue Surpassed Budgeted Revenue Due to Grants Income

Water Company	Budgeted Revenue (Kshs)	Own Source Revenue (Kshs)	Grant Income (Kshs)	Total Revenue (Kshs)	Own Source %
Garissa Water and Sewerage Company Ltd	395,155,481	304,746,356	464,759,508	769,505,864	77%
Murang'a West Water and Sanitation Company Limited	113,592,682	106,325,570	9,036,850	115,362,420	94%
Githunguri Water and Sanitation CompanyCompany	55,508,615	44,173,359	28,984,290	73,157,649	80%
Nyanas Water and Sanitation Company Limited	28,737,944	22,772,976	22,218,531	44,991,507	79%
Gulf Water Services Company Limited	25,199,289	20,233,240	20,280,004	40,513,244	80%
Total	**618,194,011**	**498,251,501**	**545,279,183**	**1,043,530,684**	

The following three (3) Companies exceeded budgeted revenue from own generated income as shown in **Table 7** below;

Table 7: Own Source Revenue Surpassed Budgeted Revenue

S/ No	Water Company	Budgeted Revenue (Kshs)	Own Source Revenue (Kshs)	Surplus (Kshs)	Performance %
1	Othaya Mukurweini Water and Sanitation Company Ltd	195,082,149	196,648,171	1,566,022	101%
2	Kathiani Water and Sanitation Company Ltd	19,227,000	19,492,481	265,481	101%
3	Isiolo Water and Sewerage Company Ltd	110,302,200	110,417,228	115,028	100%

Revenue performance for the other seventy-nine (79) Companies is as detailed in ***Appendix 4*****.**

2.3.3 Exceptions on Revenue

During the financial year 2023/2024, the Water Companies managed to raise cumulative total revenue amounting to Kshs.33,798,235,249. However, the following exceptions were noted;

i. Unaccounted for Revenue

The audit identified exceptions in ten (10) Water Companies relating to unaccounted for revenue totalling Kshs.1,081,506,002. These gaps indicate weaknesses in revenue management and accountability frameworks as shown in **Table 8** below;

Table 8: Unaccounted for Revenue

S/No	Financial Statements	Exception	Amount (Kshs)
1	Kilifi Mariakani Water and Sewerage CompanyCompany	Use of estimated meter readings	597,326,877
2	Nairobi City Water and Sewerage Company Ltd	Use of estimates for water billing	194,354,986
3	Gulf Water Services Company Limited	Appropriate and sufficient evidence not provided to support revenue reported in financial statements	154,082,600
4	Garissa Water and Sewerage Company Ltd	Unsupported income from County Government	54,197,628
5	Gatamathi Water and Sanitation Company Limited	Water sold to unmetered customers	28,421,205
6	Lamu Water and Sewerage Company Ltd	Revenue disclosed in the financial statements was not supported by ledgers	22,002,707
7	Kapenguria Water Company	Unsupported water sales and sewerage services revenue	15,817,311
8	Kikuyu Water Company Ltd	Inconsistencies in customer billings and meter readings	13,609,193
9	Tavevo Water and Sewerage Company Ltd	Variance between amount disclosed in the financial statements and amount generated from water billing system	1,588,495
10	Yatta Water and Services Company Ltd	Data for quantity of water billed through sale of water bowsers was not provided.	105,000
	Total		**1,081,506,002**

ii. Under-Collection of Revenue

The audit revealed that five (5) Water Companies had revenue collection shortfalls amounting to Kshs.548,173,016. The exceptions included unbilled customers and instances of undercharging for services, as detailed in **Table 9** below:

Table 9: Under-collection of Revenue

S/No	Financial Statements	Exception	Amount (Kshs)
1	Nairobi City Water and Sewerage Company	Unpaid revenue from billed accounts in the year and unbilled active accounts	344,494,421
2	Othaya Mukurweini Water and Sanitation Co. Ltd	2,142 customers out of the customer base of 27,389 unbilled	177,771,816
3	Nyanas Water and Sanitation Company Limited	Failure to Meet Revenue Targets resulting in a 20% shortfall	21,481,275
4	Wajir Water and Sewerage Company Limited	Uncollected revenue	3,890,504
5	Muranga Water and Sanitation Co. Ltd	Undercharging exhauster services	535,000
	Total		**548,173,016**

iii. Undisclosed Grant Income

On review, two (2) Water Companies were found to have received grant income amounting to Kshs.13,853,404 that was not disclosed in their financial statements, as shown in **Table 10** below:

Table 10: Undisclosed Grant Income

S/No	Financial Statements	Issue/Exception	Amount (Kshs)
1	Isiolo Water and Sewerage Company Ltd	Undisclosed grant income	8,243,052
2	Amatsi Water Services Company Ltd	Undisclosed grant income	5,610,352
	Total		**13,853,404**

2.4 Use of Outdated Water Tariffs

Section 72(1)(b) of the Water Act, 2016 mandates the Water Services Regulatory Board (WASREB) to evaluate, recommend, and approve water and sewerage tariffs proposed by county water service providers, in accordance with established consumer protection standards. The WASREB Tariff Guidelines further emphasize the importance of adopting realistic tariffs to promote financial sustainability, noting that water companies are expected to operate on a commercially viable basis by recovering the full cost of service provision to prevent infrastructure deterioration and poor service delivery.

However, review of tariff structures indicated that thirty-eight (38) out of the eighty-seven (87) Water Companies, representing 44%, applied outdated tariffs during the year under review, generating own-source revenue totalling Kshs.3,807,648,691.

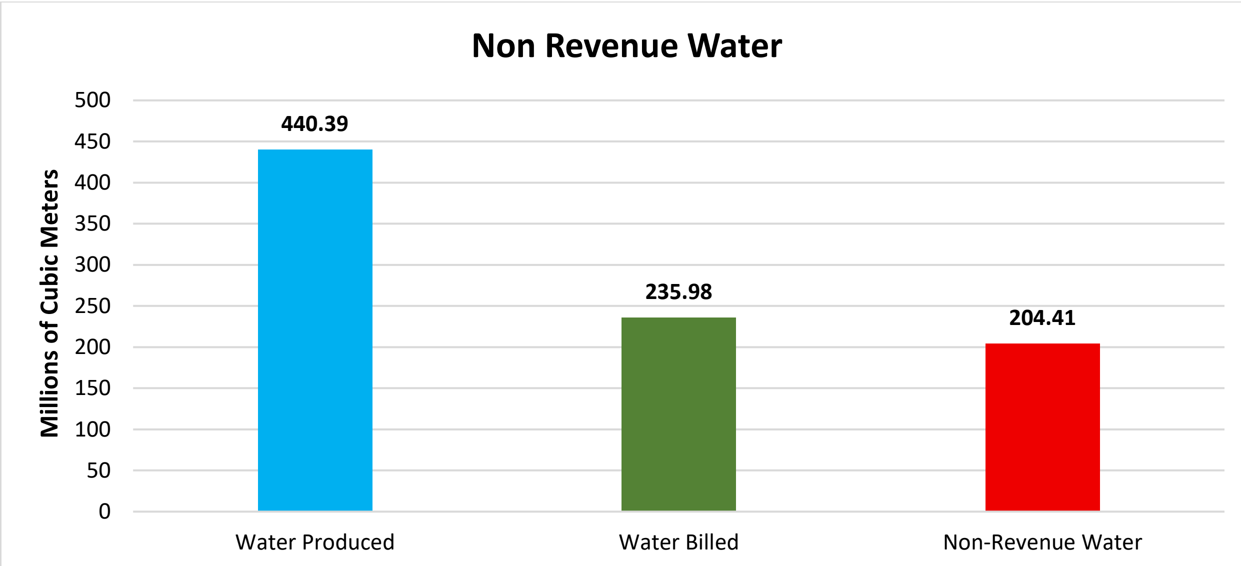
The information provided attributed non-implementation of revised tariffs to various administrative and regulatory delays. Continued reliance on outdated tariffs poses a significant risk to the financial viability of these utilities, as it impairs their ability to fully recover operational costs and undermines long-term service delivery sustainability.

2.5 Non-Revenue Water

Non-Revenue Water (NRW) refers to water that is produced but not billed to customers due to physical losses, metering inaccuracies, or unauthorized consumption. Common contributors to NRW include illegal connections, billing based on non-metered or flat rates, leakages from aging and poorly maintained infrastructure, and malfunctioning or inaccurate water meters.

Analysis of water production and billing data revealed that the issue of NRW was prevalent across many Water Companies. Further, a total of 440,389,854 cubic meters of water was produced for the seventy-six (76) water companies that maintained and submitted production records of which only 235,984,081 cubic meters was billed. This reflects a loss of 204,405,773 cubic meters equivalent to 46% of total production, significantly exceeding the regulatory benchmark of 25%. The revenue loss translates to approximately Kshs.15,994,840,319 as detailed in **Appendix 5** and as presented graphically in **Figure 6** below:

Figure 6: Non-Revenue Water



Out of the eighty-seven (87) Companies, eleven (11) did not maintain records of the quantity of water produced and billed as detailed in **Table 11** below:

Table 11: Companies that did not maintain Records of Water Produced and Billed

S/No.	Water Company
1	Cherang'any Marakwet Water and Sanitation Company Limited
2	Busia Water and Sewerage Services Company Limited
3	Elwak Water and Sewerage Company
4	Municipal Council of Machakos Water and Sewerage Company Limited
5	Kapenguria Water Company
6	Kathiani Water and Sanitation Company Ltd
7	Nyeri Water and Sanitation company
8	Olkejuado Water and Sewerage Company
9	Rukanga Water and Sanitation Co.
10	Kyeni Water and Sanitation Company Ltd
11	Nyanas Water and Sanitation Company Limited

Further, out of the seventy-six (76) Companies that maintained records, only three (3) adhered to the WASREB regulations regarding non-revenue water as detailed in **Table 12** below;

Table 12: Companies that maintained less than 25% Non-Revenue Water

S/No	Water Company	Water Produced Cubic Meters	Water Billed Cubic Meters	Non-Revenue Water Cubic Meters	Non-Revenue Water (Kshs)	NRW %
1.	Naivasha Water and Sanitation Company Ltd	2,207,253	1,656,737	550,516	33,030,960	25
2.	Malindi Water and Sewerage Co. Ltd	6,185,029	5,095,342	1,089,687	141,086,859	18
3.	Meru Water and Sewerage Company Ltd	3,390,189	2,725,432	664,757	40,381,732	20

2.6 Expenditure Analysis

The financial statements for the Water Companies were prepared using the International Financial Reporting Standards (IFRS) framework as prescribed by the Public Sector Accounting Standards Board of Kenya (PSASB), in compliance with Section 194 of the Public Finance Management Act, 2012.

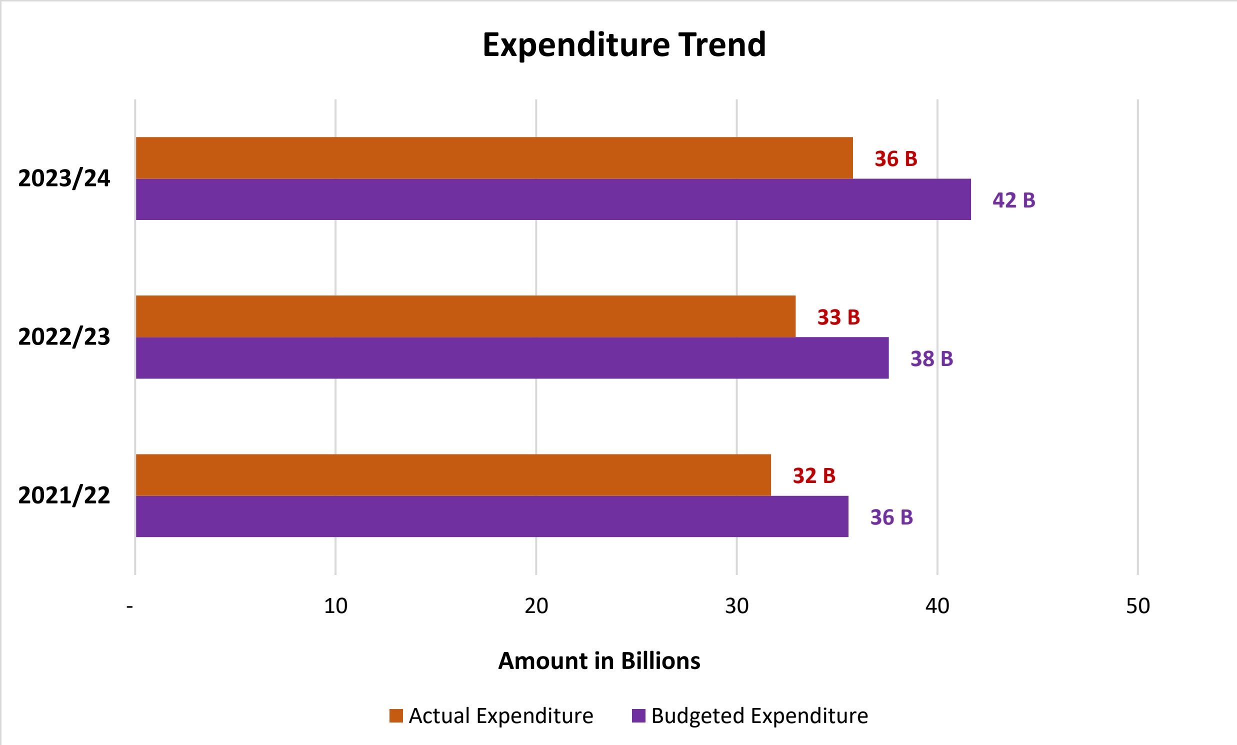
Review of the audited financial statements for the financial year 2023/2024 reflects actual expenditure amount of Kshs.35,792,237,676 compared to Kshs.32,934,021,750 actualized in the financial year 2022/2023 resulting to an expenditure increase of Kshs.2,858,215,926 or 9%.

Further, the growth in budgeted and actual gross expenditure for the Water Companies in the last three (3) financial years is shown in **Table 13** and illustrated in **Figure 7** below:

Table 13: Actual Vs Budgeted Expenditure

Description	Expenditure Trend Analysis		
	2021/22 (Kshs)	2022/23 (Kshs)	2023/24 (Kshs)
Budgeted Expenditure	35,575,537,386	37,580,650,978	41,681,715,343
Actual Expenditure	31,716,267,690	32,934,021,750	35,792,237,676

Figure 7: Gross Expenditure Growth Trend



2.6.1 Recurrent and Development Expenditure

The eighty-seven (87) Companies reported total recurrent expenditure budget and actual of Kshs.35,002,145,117 and Kshs.31,869,804,703 respectively resulting to under expenditure of Kshs.3,132,340,414 or 9%.

Further, total development expenditure budget for the eighty-seven (87) Water Companies amounted to Kshs.6,679,570,226 while the actual spent on development amounted to Kshs.3,922,432,973 resulting in an under-performance of Kshs.2,757,137,253 or 41%.

The analysis is provided in **Appendix 6** and **Appendix 7,** summarized in **Table 14 and Table15** and illustrated in **Figure 8** below;

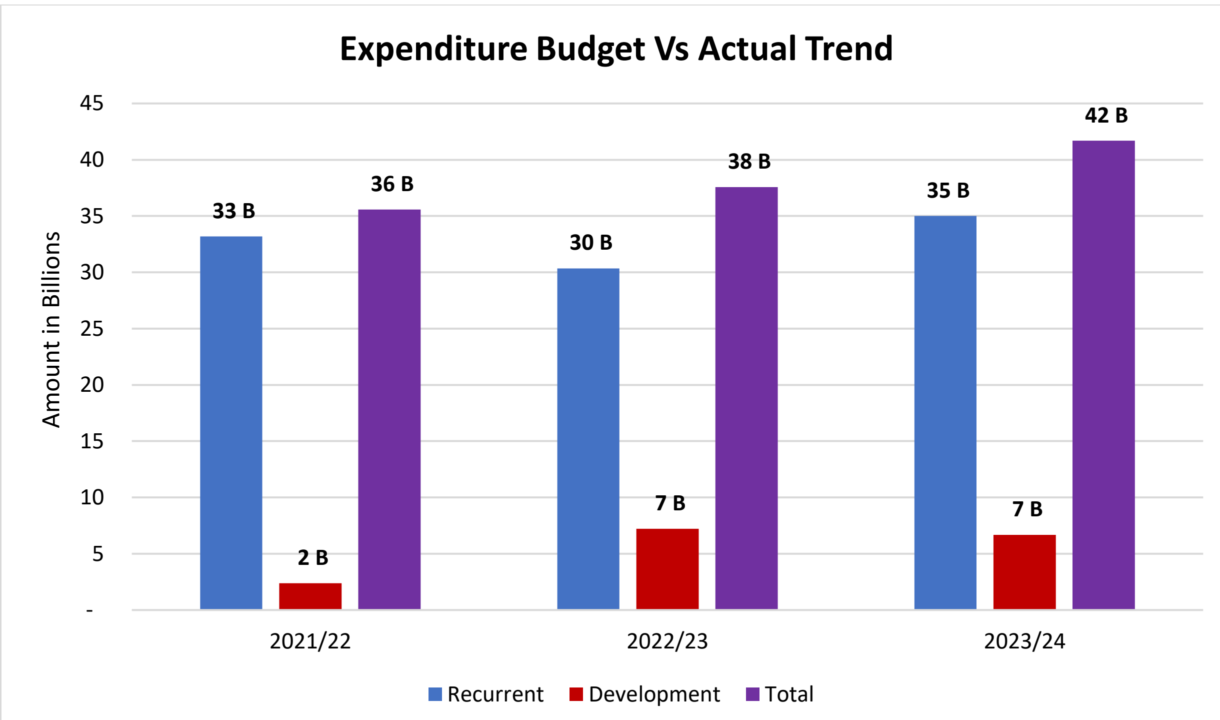
Table 14: Recurrent and Development Expenditure Budget Vs Actual

	Budgeted Expenditure (Kshs)	Actual Expenditure (Kshs)	Under Expenditure (Kshs)	Under %
Recurrent	35,002,145,117	31,869,804,706	3,132,340,411	9
Development	6,679,570,226	3,922,432,973	2,757,137,253	41
Total	**41,681,715,343**	**35,792,237,679**	**5,889,477,664**	

Table 15: Expenditure Budget Vs Actual Trend

Description	Expenditure Budget Vs Actual Trend					
	2021/22		2022/23		2023/24	
	Budget (Kshs)	Actual (Kshs)	Budget (Kshs)	Actual (Kshs)	Budget (Kshs)	Actual (Kshs)
Recurrent	33,190,714,931	30,379,918,183	30,352,076,084	29,035,507,920	35,002,145,117	31,869,804,703
Capital	2,384,822,455	1,336,349,507	7,228,574,894	3,898,513,830	6,679,570,226	3,922,432,973
Total	**35,575,537,386**	**31,716,267,690**	**37,580,650,978**	**32,934,021,750**	**41,681,715,343**	**35,792,237,676**

Figure 8: Expenditure Budget Vs Actual Trend



2.6.2 Wage Bill Expenditure Analysis

During the year under review, the wage bill for the eighty-seven (87) water companies amounted to Kshs.14,460,483,454 with operational costs of Kshs.33,608,394,693 representing 43%. Further, forty-seven (47) water companies, representing 54% of the audited companies, incurred personnel costs exceeding the allowable limit, with a cumulative excess expenditure of Kshs.4,792,269,281 of total operational costs. Gatamathi Water and Sanitation Company Limited and Kericho Water and Sanitation Company Limited registered the highest wage bills at 71% and 67% in proportion to their total revenue respectively as detailed in ***Appendix 8.***

This was contrary to the Water Services Regulatory Board (WASREB) Guidelines, 2018 which stipulate that personnel expenses should not exceed 30% of total operational costs for very large companies, 35% for large companies, 40% for medium-sized companies and 50% for small companies.

Further, forty-seven (47) or 54% of the water companies were non-compliant; thirty-six (36) or 41% compliant and four (4) or 5% not categorized as per the WASREB classification and as detailed in **Table 16** below:

Table 16: Wage Bill Regulation Compliance Status

Category	Population	Non-Compliant	Compliant	Compliance %
Small	18	14	4	78
Medium	10	6	4	60
Large	38	13	25	34
Very Large	17	14	3	82
Non-Categorized	4			
Total	**87**	**47**	**36**	

The very large category had the highest level of non-compliance at 82% with only three (3) compliant out of a total of seventeen (17) water companies.

In addition, four (4) water companies listed in **Table 17,** were not categorized.

Table 17: Wage Bill Regulation Compliance Status

Water Company	Costs (Kshs)	Compensation (Kshs)	% of Costs
Eldama Ravine Water and Sewerage Company Ltd	29,173,532	15,823,221	54
Gulf Water Services Company Limited	39,767,314	19,823,197	50
Othaya Mukurweini Water and Sanitation Co. Ltd	240,165,175	85,117,708	35
Nyanas Water and Sanitation Company Limited	47,170,849	10,909,670	23

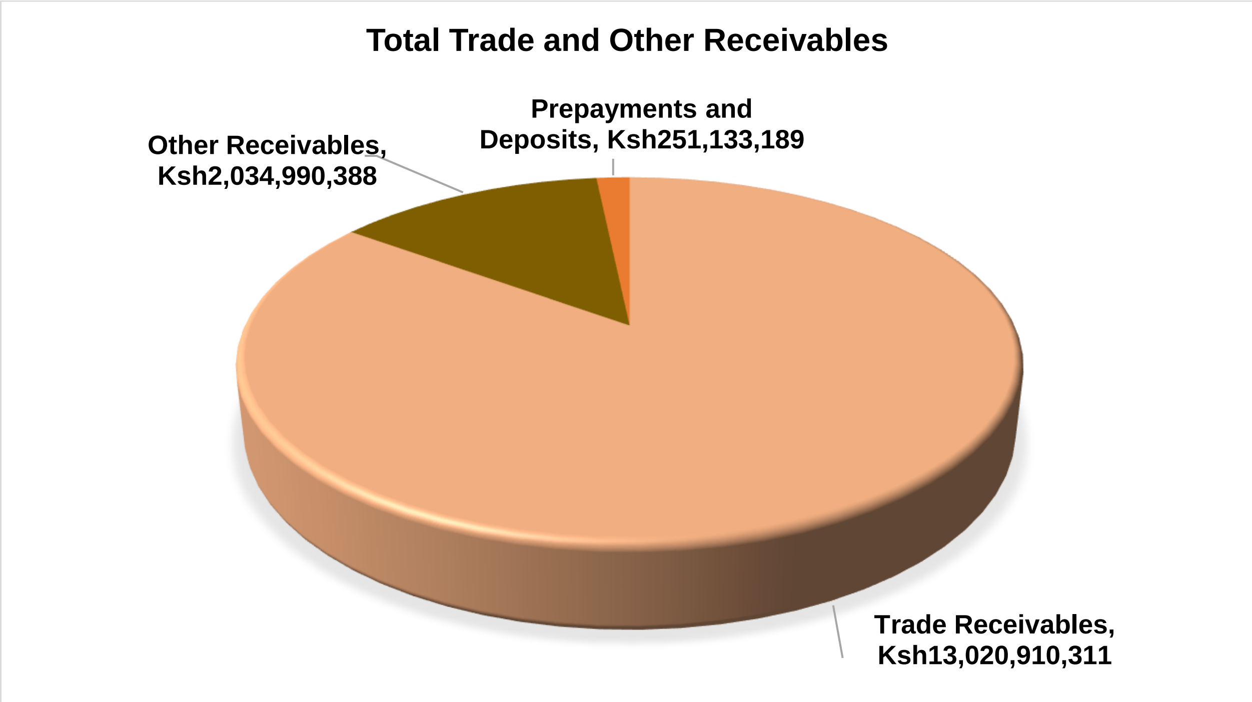
2.7 Trade and Other Receivables

During the year under review, the Water Companies reported trade and other receivables balance of Kshs.15,307,033,888 net of provision for bad debts which comprises of trade receivables, other receivables and prepayments and deposits balances of Kshs.13,020,910,311, Kshs.2,034,990,388 and Kshs.251,133,189 respectively as detailed in **Appendix 9** and as summarized in **Table 18** and illustrated in **Figure 9** below.

Table 18: Total Trade and Other Receivables

Description	Amount (Kshs)	Percentage
Trade Receivables	13,020,910,311	85%
Other Receivables	2,034,990,388	13%
Prepayments and Deposits	251,133,189	2%
Total	**15,307,033,888**	

Figure 9: Total Trade and Other Receivables



The significant balance of outstanding debtors is an indication of weaknesses in the management of debt collection processes, raising the risk of increased bad debts and potential cash flow constraints that may hinder effective service delivery.

Further, included in the trade and other receivables balance of Kshs.15,307,033,888, are long-outstanding receivables balance of Kshs.8,858,399,523 or 58%, which has been carried forward to the 2024/2025 financial year, as detailed in **Appendix 10**. Nairobi City Water and Sewerage Company, Garissa Water and Sewerage Company Ltd and Nakuru Water and Sanitation Services Company had the highest long outstanding receivables balance of Kshs.1,976,000,000.00, Kshs.763,100,410 and Kshs.668,162,100, respectively representing 38% of the total long outstanding receivables.

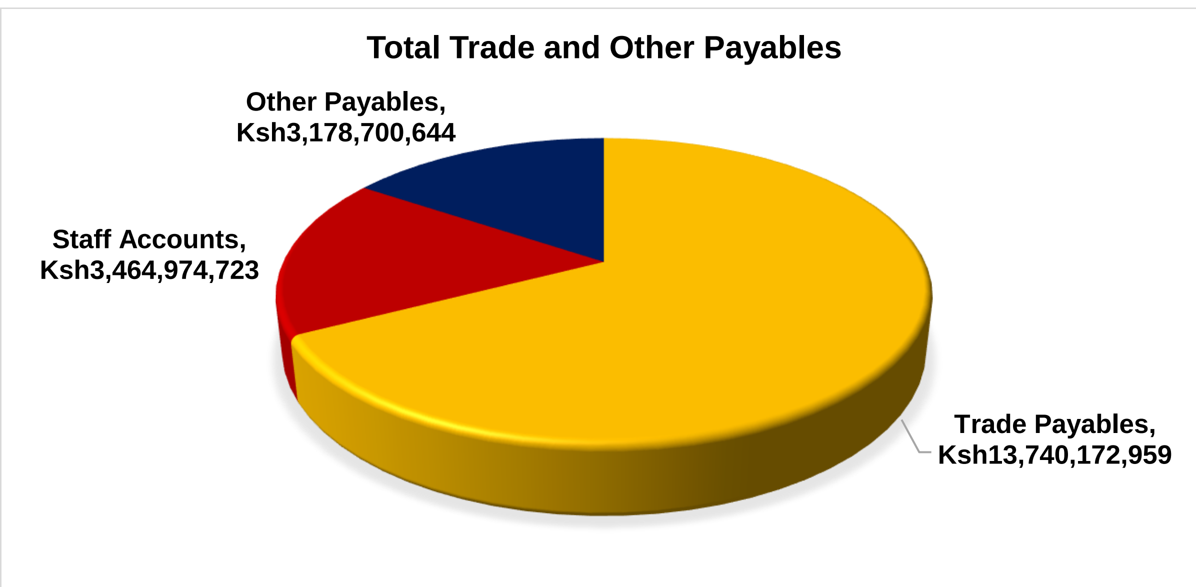
2.8 Trade and Other Payables

During the year under review, Water Companies owed suppliers and other service providers a total of Kshs.20,383,848,327 out of which a balance of Kshs.13,740,172,959 or 67% was owed to suppliers of good and services, Kshs.3,178,700,644 or 16% un-remitted statutory deductions such as NSSF, SHIF, PAYE, and other taxes and levies, Kshs.3,464,974,723 or 17% was owed to salary arrears and gratuity as shown in **Table 19** below and as detailed in **Appendix 11** and illustrated in **Figure 10** below;

Table 19: Total Trade and Other Payables

Description	Amount (Kshs)	Percentage
Trade Payables	13,740,172,959	67%
Staff Accounts	3,464,974,724	17%
Other Payables	3,178,700,644	16%
Total	**20,383,848,327**	**100%**

Figure 10: Total Trade and Other Payables



The significant balances owed to supplies of goods and services poses the risk of incurring nugatory expenditure through interest and penalties that could arise from litigation by the creditors for failure to settle the amounts owed within the contractual timelines.

Further, included in the trade and other payables balance of Kshs.20,383,848,327 for the eighty-seven (87) Companies, is long outstanding balance of Kshs.13,245,721,715 for sixty-nine (69) water companies representing 65% of the total trade and other payables as detailed in ***Appendix 12***. Further, Nairobi City Water and Sewerage Company, Mombasa Water and Sewerage Company, Tavevo Water and Sewerage Company and

Malindi Water and Sewerage Company had total long outstanding payables of Kshs.4,144,716,223, Kshs.1,764,793,299, Kshs.896,704,185 and Kshs.800,042,472, respectively representing 57% of the total long outstanding trade and other payables.

2.9 Customer Deposits

2.9.1 Unauthorized Use of Customer Deposits

Review of customer deposits records revealed that seven (7) companies irregularly utilized customer deposit funds amounting to Kshs.148,739,619 to finance operational expenditures without prior authorization from their respective Boards of Directors. A breakdown of the unauthorized utilization is provided in **Table 20** below:

Table 20: Unauthorized Use of Customer Deposits

S/No	Water Company	Amount (Kshs)
1.	Embu Water and Sanitation Company Ltd	95,482,082
2.	Oloolaiser Water and Sewerage Company	19,624,450
3.	Narok Water andSanitation Company	11,716,280
4.	Migori County Water and Sanitation Company Limited	10,160,792
5.	Olkejuado Water and Sewerage Company	5,808,059
6.	Eldama Ravine Water and Sewerage Company Limited	3,017,000
7.	Kyeni Water and Sanitation Company Ltd	2,930,956
	Total	**148,739,619**

Failure to obtain the approval of the Board of Directors leads to irregular use of customer deposits and impends the ability of the water companies to make refunds to customers as and when required.

2.9.2 Unsupported Customer Deposits

The audit revealed that customer deposits amounting to Kshs.202,580,840 from seventeen (17) water companies were not supported by the relevant documentation and supporting schedules as shown in **Appendix 13**. Nakuru Rural Water and Sanitation Company Limited had the highest unsupported expenditure of Kshs.47,023,602 followed by Mavoko Water Company Limited and Naivasha Water and Sanitation Company Limited with balances of Kshs.37,669,750 and Kshs.23,394,367, respectively.

Failure to provide supporting documentation contravenes the provisions of Section 62 of the Public Audit Act, 2015, which states that a person who without justification, fail to provide information required under this Act or without justification fail to provide information within reasonable time or submit false or misleading information commits an offence and is liable on conviction to a fine not exceeding five million shillings or to imprisonment for a term not exceeding three years, or to both.

Further, failure by the entities to fully support customer deposits casts doubt on the authenticity of the reported balances and points to weaknesses in internal controls and governance frameworks within the affected water companies.

2.9.3 Variance in Customer Deposits

Review of reported balances against bank certificates revealed that five (5) Water Companies had a cumulative unexplained variance in customer deposit accounts balance of Kshs.287,431,669 as detailed in **Table 21** below:

Table 21: Variance in Customer Deposits

S/No	Water Company	Balance as per Financial Statements (Kshs)	Balance as per Bank Certificate (Kshs)	Variance (Kshs)
1.	Kilifi Mariakani Water and Sewerage Co.	100,826,792	9,709	100,817,083
2.	Embu Water and Sanitation Company Limited	100,023,180	4,541,098	95,482,082
3.	Nyahururu Water and Sanitation Co. Ltd	36,153,747	2,703,755	33,449,992
4.	SIBO Water Company	26,149,476	2,040,062	24,109,414
5.	Nithi Water and Sanitation Company ltd	21,451,825	2,196,045	19,255,780
6.	Municipal Council of Machakos Water and Sewerage Company Limited	14,427,464	110,146	14,317,318
	Total	**299,032,484**	**11,600,815**	**287,431,669**

2.10 Going Concern Considerations for Water Companies

During the year under review, seventy-five (75) of the eighty-seven (87) water companies or 86% of the companies were faced with material uncertainty with respect to their ability to continue as going concerns. Only twelve (12) water companies or 13% recorded positive working capital positions with no indicators of financial distress, as presented in ***Appendix 14*.**

Further analysis revealed that forty-seven (47) Companies, or 54%, had negative working capital positions and, in some cases, recorded deficits, pointing to significant doubt regarding their financial sustainability. These entities reported combined current liabilities of Kshs.19,692,159,901 against current assets of Kshs.12,366,710,313, resulting in a negative working capital of Kshs.7,325,449,588, indicating a state of technical insolvency as detailed in **Appendix 15**. In addition, twenty-eight (28) Companies, or 32%, recorded deficits in their statements of financial performance as detailed in ***Appendix 16.***

Review of the financial statements indicates that the adverse financial performance was primarily attributed to several factors including the following.

(i) Persistent high levels of Non-Revenue Water (NRW), limiting revenue realization;
(ii) Low metering ratios, resulting in significant unbilled consumption,

(iii) Continued application of outdated tariffs, hampering full cost recovery for operations and maintenance; and
(iv) Escalating operation and maintenance costs, particularly for electricity, labor, chemicals, and materials, which outpace the revenues generated.

The financial statements for these Companies were therefore prepared on a going concern basis premised on the assumption of continued support from the County Governments and creditors.

3.0 SUMMARY OF AUDIT OPINIONS

3.1 Analysis of Audit Opinions

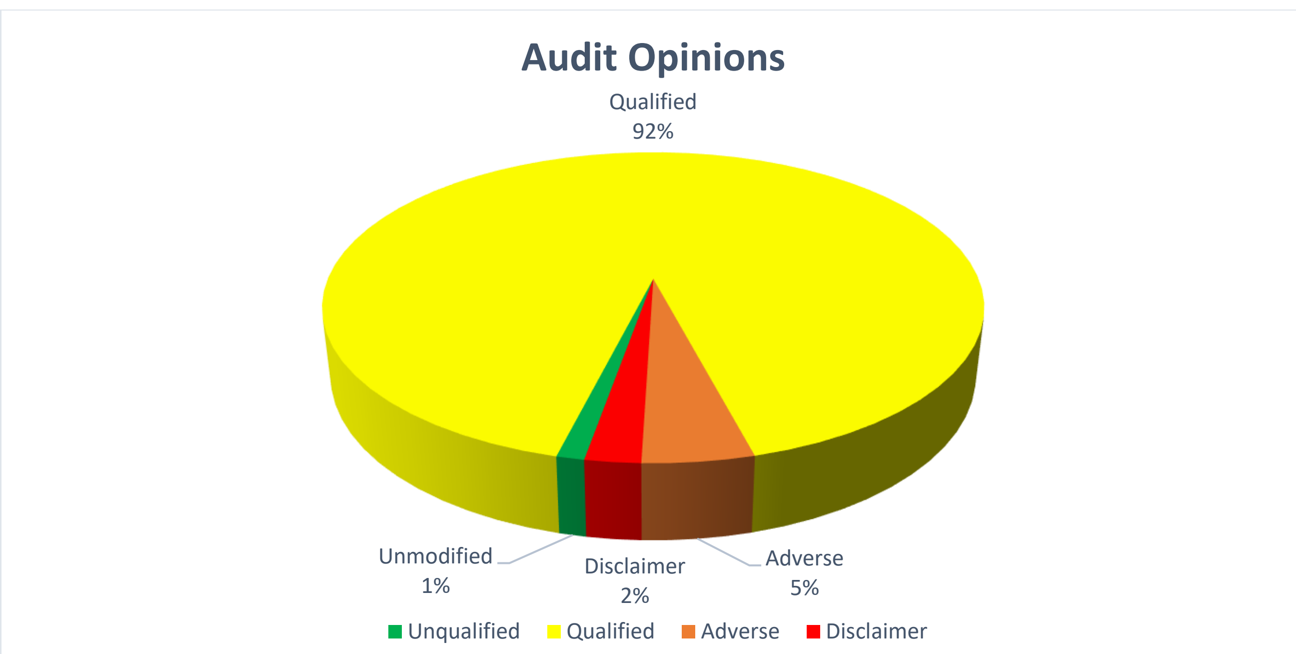
During the year under review, a total of eighty-seven (87) financial statements comprising of Water Companies for the year ended 30 June, 2024 were audited on which I expressed my audit opinion as detailed in ***Appendix 17*** and as summarised in the **Table 22** below:

Table 22: Audit Opinions for Water Companies

Opinion	Number	Percentage (%)
Unmodified	1	1%
Qualified	80	92%
Adverse	4	5%
Disclaimer	2	2%
Total	**87**	

As summarized in **Table 22** above and illustrated in **Figure 11**, only one (1) water company; Kibwezi Water and Sanitation Company Limited had an unqualified/unmodified opinion compared to the previous year, where none had an unmodified opinion. I would urge the Management of Water Companies to embrace full accountability and strive to achieve and maintain an unqualified opinion in their financial statements.

Figure 11: Audit Opinions for Water Companies



3.2 Audit Opinions Trend Analysis

There has been a positive trajectory but with no considerable improvements in the opinion on the financial statements for Water Companies over the last three (3) years as illustrated in **Table 23** below:

Table 23: Audit Opinions Trend Analysis for Water Companies

Financial Year	2021/2022	2022/2023	2023/2024
Unmodified	1	0	1
Qualified	68	73	80
Adverse	9	12	4
Disclaimer	4	2	2
Total	**82**	**87**	**87**

In the 2023/2024 financial year, only one (1) Water Company received an unmodified opinion, representing a marginal improvement from zero in 2022/2023. The limited number of entities attaining this standard underscore persistent challenges in financial reporting, internal controls, and compliance across the sector.

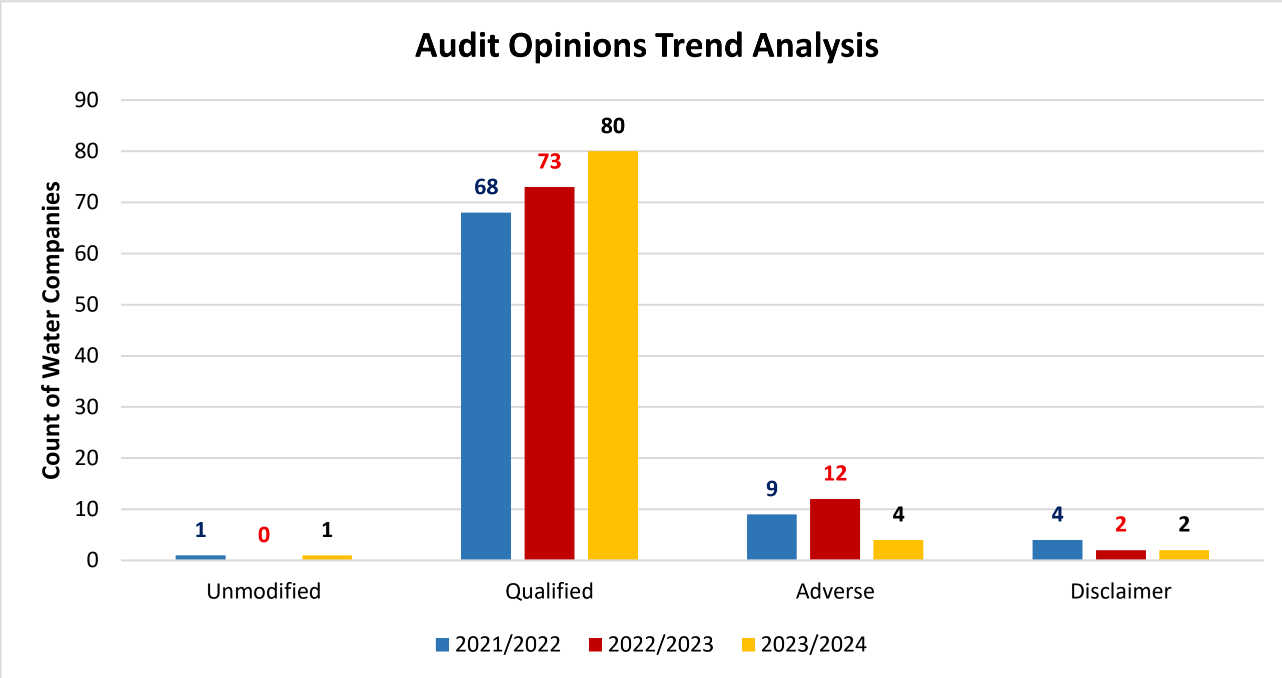
The number of Water Companies that received qualified audit opinions increased to eighty (80), up from seventy-three (73) in the previous year. A qualified opinion suggests that, except for certain specific issues, the financial statements are fairly presented. The growing number of qualified opinions reflects widespread weaknesses in financial management and internal control systems.

Further, four (4) Water Companies received adverse opinions in the year 2023/2024, down from twelve (12) in the prior year. An adverse opinion indicates that the financial statements are materially misstated and do not present a true and fair view. Although the reduction in adverse opinions is notable, the existence of any such opinions remains a serious concern regarding accountability, transparency, and the integrity of financial records.

In addition, two (2) Water Companies received a disclaimer of opinion in the year 2023/2024, consistent with the previous year. A disclaimer is issued when auditors are unable to obtain sufficient appropriate audit evidence, often due to incomplete records or significant limitations in scope. This signifies that the auditors could not express any opinion on the financial statements, raising serious doubts about the reliability of the underlying financial data.

The opinions' trend analysis for the last three (3) financial years is graphically illustrated in **Figure 12** below:

Figure 12: Audit Opinions Trend Analysis for Water Companies



Overall, the analysis of audit opinions trends highlights that the water sector continues to grapple with systemic financial reporting weaknesses, poor governance, and inadequate internal controls, which undermine effective service delivery and public trust. Urgent reforms and capacity enhancement measures are required to improve the quality of financial management and accountability in the sector.

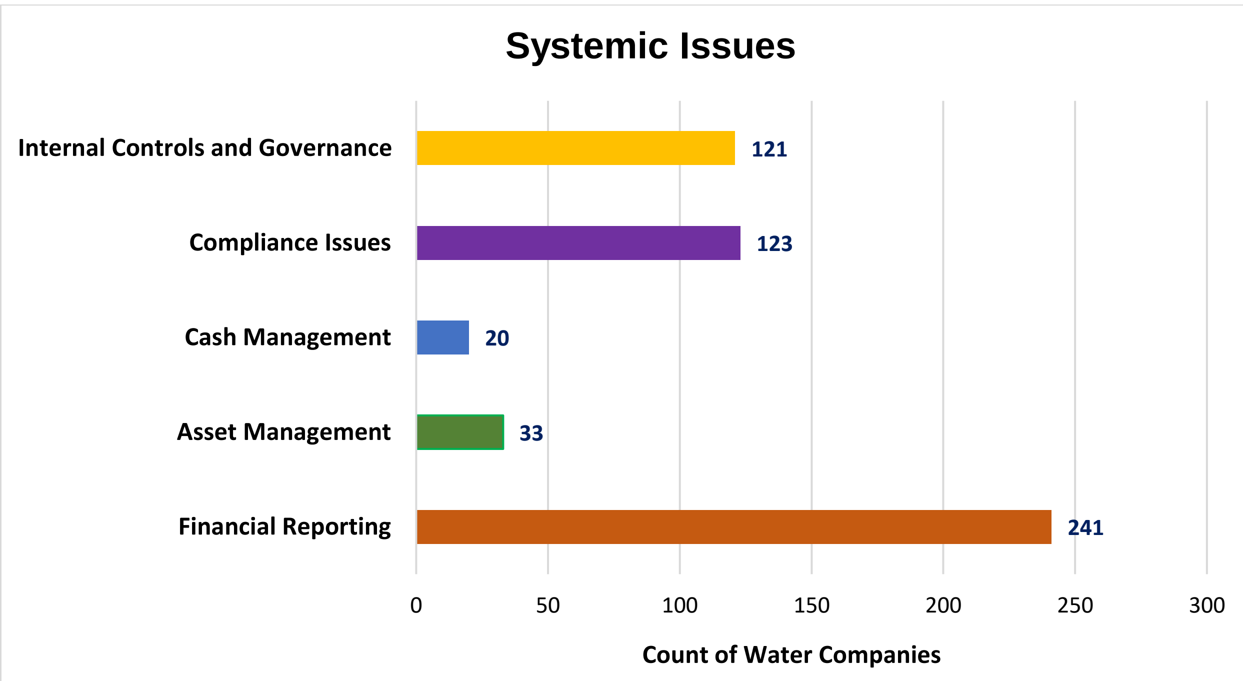
My report on governance and compliance issues is highlighted in my summary of material observations section of this report.

4.0 SUMMARY OF MATERIAL OBSERVATIONS

4.1 Summary of Systemic Issues

The audit for the 2023/2024 financial year has revealed various systemic issues which are observed across all Water Companies. The issues range from inaccuracies in financial reporting, lack of supporting documents, value-for-money concerns in the use of public resources, governance and compliance issues, asset management issues and lack of effectiveness of internal controls, risk management and governance. The number of issues observed across the water companies under each thematic area is illustrated in **Figure 13** below:

Figure 13: Systemic Issues of Water Companies



Based on the above findings, Accounting Officers should identify the root causes of the systemic issues and ensure that focused and relevant interventions, including capacity building, standard operating procedures, internal controls, and risk management processes are designed and implemented to address the various systemic issues observed at the Companies. Governance and compliance issues and irregularities in financial reporting must be addressed to enhance transparency, accountability, and good governance in the management of public resources.

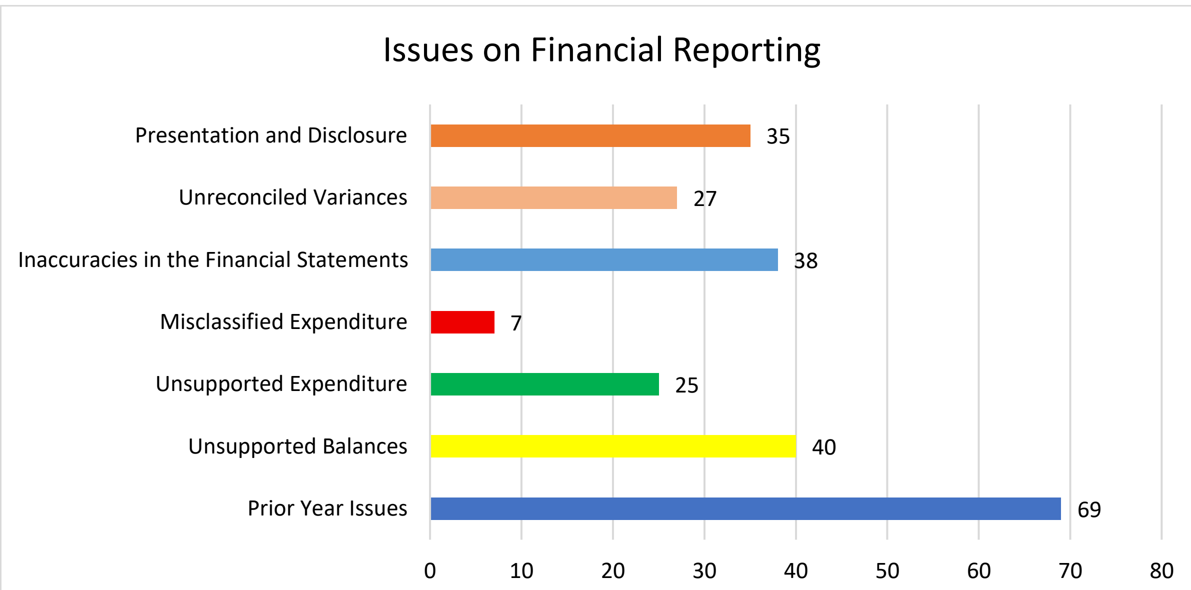
The following sections provide additional details of critical observations made during the audit.

4.2 Financial Reporting

There has been a general improvement in the presentation of financial statements and the maintenance of accounting records during the last three (3) years compared to previous years. Contributors to this positive trend include interventions by The National Treasury aimed at strengthening public sector accountability, as well as capacity-building initiatives undertaken by individual Water Companies, development partners, and other stakeholders. Moreover, Water Companies that have implemented past audit recommendations have demonstrated marked improvement in financial reporting, as evidenced by the reduction in the number of adverse audit opinions over the period.

A summary of the key issues affecting the presentation of financial statements and the corresponding number of Water Companies impacted as illustrated in **Figure 14** below.

Figure 14: Summary of Issues in Financial Reporting



4.2.1 Inaccuracies in the Financial Statements

The audit of the 2023/2024 financial statements revealed widespread inaccuracies across several Water Companies. The list of the affected companies and the specific issues identified amounting to Kshs.1,679,900,261 are presented in ***Appendix 18.***

4.2.2 Unsupported Expenditure

The audit revealed that expenditure amounting to Kshs.407,332,473 from twenty-five (25) Water Companies was not supported by the relevant documentation and schedules as detailed in ***Appendix 19.*** Malindi Water and Sewerage Company had the highest unsupported expenditure of Kshs.193,367,497 followed by Amatsi Water Services Company Limited and Nakuru Water and Sanitation Services Company Limited with unsupported amounts of Kshs.44,285,059 and Kshs.39,468,545, respectively.

4.2.3 Unreconciled Variances

Review of the financial statements revealed that twenty-seven (27) Water Companies had unreconciled variances amounting to Kshs.557,564,881 as shown in ***Appendix 20*.** Tana River Water and Sanitation Company recorded the highest unreconciled variances of Kshs.101,999,812 followed by Malindi Water and Sewerage Co. Ltd, Amatsi Water Services Company Ltd, Kericho Water and Sanitation Co. Ltd and Lodwar Water and Sewerage Co. Ltd with unreconciled variances amounting to Kshs.93,895,665, Kshs.83,185,991, Kshs.68,936,930 and Kshs.58,414,308 representing 73% of the unreconciled variances.

4.2.4 Unauthorized Payments

During the period under review, Nakuru Water and Sanitation Company paid Kshs.7,085,934 to the Rift Valley Water Services Board in relation to a loan from the African Development Bank. However, no audit evidence was provided to confirm that Nakuru Water and Sanitation Company was a beneficiary of the loan.

4.2.5 Unsupported Balances

The audit revealed unsupported balances of Kshs.10,802,326,331 from forty-three (43) Water Companies as detailed in ***Appendix 21*.**

4.2.6 Unresolved Prior Year Issues

The audit revealed that out of the eighty-seven (87) Water Companies, sixty-nine (69) or 79% had unresolved prior year issues raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues or given any explanation for failure to implement the recommendations as at 30 June, 2024. The list of the sixty-nine (69) Companies is provided in ***Appendix 22*.**

4.2.7 Presentation and Disclosure of Financial Statements

Review of the financial statements provided for audit revealed that three (3) Water Companies did not comply with the Public Sector Accounting Standards Board (PSASB) reporting template as indicated in **Table 24** below:

Table 24: Non-Compliance with PSASB Reporting Template

S/No	Water Company
1	Lodwar Water and Sewerage Company
2	Mwala Water and Sanitation Company
3	Kikuyu Water Company

4.2.8 Other Issues Related to Presentation of Financial Statements

Other issues highlighted includes:

i. Three (3) water companies did not disclose material uncertainty relating to going concern in their financial statements as indicated in **Table 25** below.

Table 25: Failure to Disclose Material Uncertainty Relating to Going Concern

S/No	Water Company
1.	Kirandich Water Company Limited
2.	Nakuru Water and Sanitation Services Company Limited
3.	Mwala Water and Sanitation Company Limited

ii. Twenty-one (21) Water Companies had issues with presentation and disclosure of assets and liabilities with a combined valuation of Kshs.1,787,547,594 as indicated in ***Appendix 23*.**

iii. Seven (7) Companies had issues on misclassified expenditure amounting to Kshs.715,163,524 as shown in **Table 26** below:

Table 26: Misclassified Expenditure

S/No	Water Company	Description	Amount (Kshs)
1.	Kilifi Mariakani Water and Sewerage Co.	There was inaccuracy of Coast water work Development Agency liability with a variance of Kshs.28,749 that was not explained.	633,028,747
2.	Gatamathi Water and Sanitation Company Limited	Long-outstanding payables were misclassified as current liabilities in the financial statements	43,070,909
3.	Ngandori Water and Sanitation Company Plc	Long-term liabilities amounting to Kshs.18,343,477 were misclassified, resulting in an overstatement of current assets and a negative working capital position of Kshs.8,278,240	18,343,477
4.	Kericho Water and Sanitation Co. Ltd	The infrastructural networks expenditure included amounts of Kshs.11,211,381 for consumables, pipeline and repair materials, and Kshs.2,524 classified as closing stock.	11,213,905
5.	Narok Water andSanitation Company	Expenditure on training, staff welfare and maintenance misclassified as wages	5,770,685
6.	Bomet Water and Sanitation Co.	A bank loan balance inherited from a community project was inappropriately disclosed under Property, Plant and Equipment in the financial statements.	3,726,301
7.	Nyanas Water and Sanitation Company Limited	Prepayments and deposits amounting to Kshs.9,500 were incorrectly classified as receivables in the financial statements	9,500
	Total		**715,163,524**

4.3 Compliance Issues

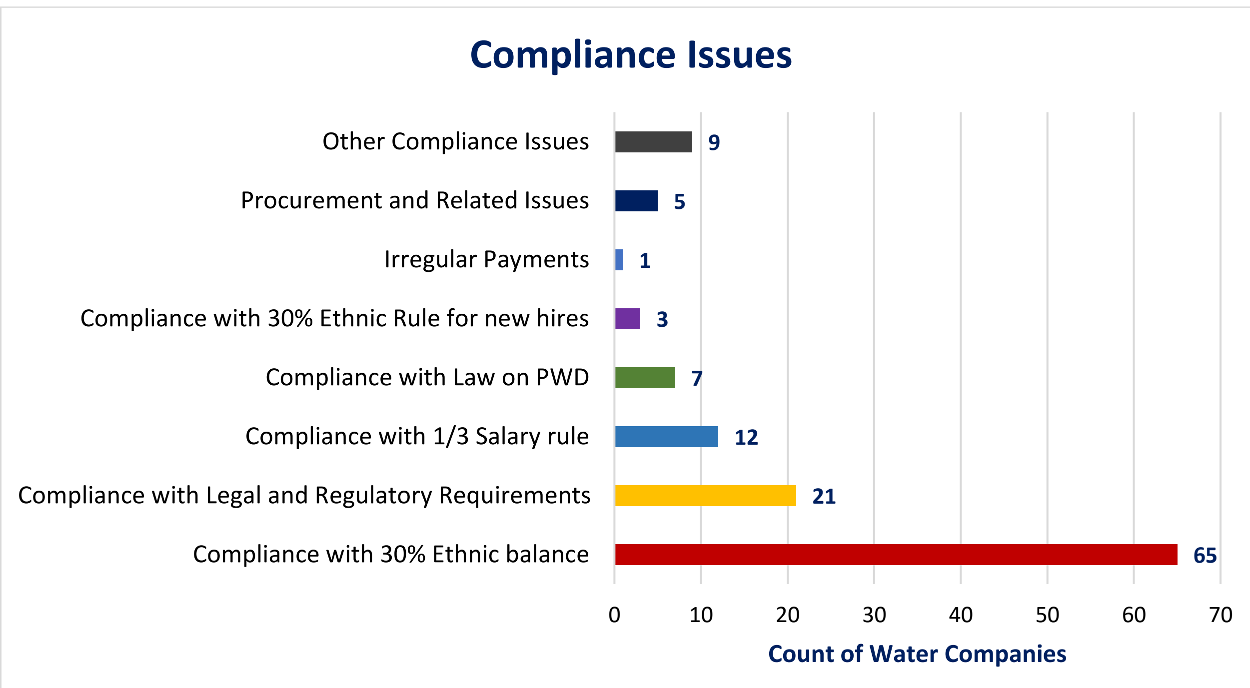
As required by Article 229(6) of the Constitution, audit procedures are applied to determine whether each Water Company operated within the law and whether public resources were applied lawfully and effectively.

The audit observations on compliance matters indicate a general lack of adherence to law and authorities governing management of public resources. This has resulted in lack of comprehensiveness, completeness, accuracy and reliability on some of the financial statements submitted for audit.

The complex modern environment demands greater accountability, transparency, and effective governance as envisaged in Goal 16 of the Sustainable Development Goals (SDGs). Effective governance requires structures that respond to the needs of the citizens and enhance compliance with the laws and regulations governing prudent public financial management, which the Water Companies are urged to adhere to.

The summary of the compliance issues observed in Water Companies is as illustrated in **Figure 15** below:

Figure 15: Compliance Issues



4.3.1 Non-Compliance with Legal and Regulatory Requirements

The audit revealed that twenty-one (21) Water Companies were operating in breach of various applicable laws and regulations, as detailed below. These violations reflect systemic governance and compliance challenges that may expose the entities to legal, financial, and operational risks.

i. Data Protection Act, 2019

The audit revealed that Embe Water and Sanitation Company Ltd did not comply with the Data Protection Act, 2019 by failing to register with the Office of the Data Protection Commissioner. This was contrary to Section 19(1) of the Act, which requires that a data controller or data processor mandated to register under Section 18 shall apply to the Data Commissioner. Failure to register and comply with the stipulated data protection regulations exposes the Company to legal and reputational risks related to the handling of personal data.

ii. Failure to Remit Statutory Deductions and Other Taxes and Levies

The audit established that twenty-two (22) Water Companies failed to remit statutory deductions amounting to Kshs.253,042,752, including Social Health Insurance Fund (SHIF), National Social Security Fund (NSSF), audit fees and other taxes and levies, as detailed in **Table 27**. This non-compliance undermines legal obligations, exposes the entities to penalties, and jeopardizes employee benefits and government revenue.

Table 27: Statutory Deductions and Other Taxes and Levies

S/No	Water Company	Issue	Amount (Kshs)
1.	Bomet Water and Sanitation Co. Ltd	Non remittances to NSSF, Laptrust and LAP Fund and non-payment of audit fees	93,204,063
2.	Nakuru Rural Water and Sanitation Co. Ltd	Failure to remit regulatory fee to WRA Kshs.18,149,560 and WASREB Kshs.51,832,131.	69,981,691
3.	Gatamathi Water and Sanitation Company Limited	Non remittance of water service levy of Kshs. 30,771,841 and remittance of PAYE of Kshs.2,245,724	33,017,565
4.	Olkejuado Water and Sewerage Company Ltd	Non remittance of statutory deductions	7,574,519
5.	Lodwar Water and Sewerage Co. Ltd	Unpaid tax expense - Kshs.5,887,373, Late Remittance of Statutory Deductions Kshs.670,018	6,557,391
6.	Migori County Water and Sanitation Company Limited	Delayed remittance of PAYE of Kshs. 1,184,996 and NSSF of Kshs.5,197,538	6,382,534
7.	Kilifi Mariakani Water and Sewerage Company	Audit Fees	5,945,600
8.	Kiambere Mwingi Water and Sanitation Company Ltd	Non remittance of statutory deductions.	5,943,008
9.	Gusii Water and Sanitation Company Limited	Audit Fees	5,809,200
10.	Nakuru Rural Water and Sanitation Company Limited	Audit Fees	3,086,000
11.	Iten Tambach Water and Sewerage Company Limited	Audit Fees	3,016,000
12.	Nyahururu Water and Sanitation Company Limited	Audit Fees	2,960,000

S/No	Water Company	Issue	Amount (Kshs)
13.	Homa Bay County Water and Sanitation Company Limited	Audit Fees	2,255,201
14.	Kapsabet Nandi Water and Sanitation Company Limited	Audit Fees	1,920,000
15.	Meru Rural Water and Sanitation Company Ltd	Audit Fees	1,690,000
16.	Mwala Water and Sanitation Co. Ltd	Failure to remit statutory deductions for NSSF Kshs.356,644, PAYE Kshs.15,698, CPF Kshs.655,844, and Housing Levy of Kshs.61,502	1,089,729
17.	Nithi Water and Sanitation Company Limited	Audit Fees	960,000
18.	Kakamega County Rural Water and Sanitation Company Ltd.	Unremitted tax from Board allowances and Honoraria	395,400
19.	Kapenguria Water Company Ltd	Non remittance of statutory deductions	387,960
20.	Embe Water and Sanitation Company Ltd	Audit Fees	350,000
21.	Bomet Water and Sanitation Company Limited	Audit Fees	348,000
22.	Nyandarua Water and Sanitation Co. Ltd	The company had not remitted housing levy for three months from April, May and June 2024	168,891
	Total		**253,042,752**

4.3.2 Non-Adherence to One-Third Basic Salary Requirement

Review of the Water Companies' payrolls for the year ended 30 June, 2024, revealed that in twelve (12) Water Companies, more than five hundred and sixty (560) employees received net salaries which were less than a third of their respective basic pay as detailed in **Appendix 24**. This was contrary to Section 19(3) of the Employment Act, 2007 which states that, the total amount of deductions that an employer may make from the wages of his employee at any one time, shall not exceed two-thirds of such wages.

4.3.3 Non-Compliance with Ethnic Diversity Requirements

Review of human resource records for the Water Companies revealed that sixty-five (65) entities had more than one-third of their staff drawn from a single ethnic community, contrary to the provisions of Section 7(2) of the National Cohesion and Integration Act, 2008 which requires that no public establishment shall have more than one-third of its staff from the same ethnic community. Water Companies including Cherang'any Marakwet Water and Sanitation Company, Mwala Water and Sanitation Company, Iten Tambach Water and Sanitation Company, Mbooni Water and Sanitation Company and Bomet Water and Sanitation Company had 100% of their staff from the dominant ethnic community within their respective counties. Details are provided in **Appendix 25.**

4.3.4 Non-Compliance with 30% Ethnic Diversity Requirement in New Appointments

Analysis of the workforce composition from recent appointments across the County Executives revealed that three (3) Water Companies as shown in **Table 28** failed to comply with the requirements of Section 65(1)(e) of the County Governments Act, 2012, which mandates that at least 30% of new appointments by the County Public Service should be made from ethnic groups other than the dominant community. Among the most notable cases are SIBO Water Company and Murang'a West Water and Sanitation Company which recorded 100% of its new appointments from the dominant ethnic community.

Table 28: New Employees from Dominant Ethnic Community

S/No	County Executive Name	New Employees from Dominant Community
1	SIBO Water Company	100%
2	Murang'a West Water and Sanitation Company	100%
3	Nyeri Water and Sanitation Company	88%

4.3.5 Compliance with Law on Persons with Disability

The audit revealed that seven (7) Water Companies did not comply with legal provisions regarding the employment of persons with disabilities, as shown in **Table 29**. This contravenes national laws promoting inclusivity and equal opportunity in public employment.

Table 29: Compliance with Law on Persons with Disability

S/No	Water Company
1	Murang'a West Water and Sanitation Company Limited
2	Nakuru Rural Water and Sanitation Co. Ltd
3	Gatamathi Water and Sanitation Company Limited
4	Tavevo Water and Sewerage Co.
5	Malindi Water and Sewerage Co.
6	Matungulu - Kangundo Water and Sewerage Company
7	Nairobi City Water and Sewerage Company

4.3.6 Procurement and Other Related Issues

Review of the Water Companies' procurement records revealed that five (5) Water Companies had various procurement irregularities amounting to Kshs.52,239,378 as shown in **Table 30** below. Homa Bay Water Services Company had the highest procurement irregularities on contracts valued at Kshs.24,437,494 followed by Tavevo

Water and Sewerage Company Limited which had procurement irregularities on contracts valued at Kshs.22,627,580.

Table 30: Procurement and Other Related Issues

S/No	Financial Statements	Issue	Amount (Kshs)
1.	Homa Bay Water Services Company	Non-Publication of Procurement Contracts totalling Kshs.24,437,494	24,437,494
2.	Tavevo Water and Sewerage Co.	Unsupported procurement of 2000 cold water meters	22,627,580
3.	Kirandich Water Company	Irregular Procurement of Chemicals - Kshs.2,172,680 - Goods supplied under expired contract	2,172,680
4.	Mandera Water and Sewerage Company Ltd	Payment for undelivered motor vehicle	1,965,517
5.	Amatsi Water Services Company Ltd	Unsupported procurement of motorcycles, Cash procurement beyond allowable limit	1,036,107
		Total	**52,239,378**

4.3.7 Irregular Payments to Associations

The audit established that Municipal Council of Machakos Water and Sewerage Company Limited made payments amounting to Kshs.65,000 to the Water Sports Association and Kshs.130,000 to the Water Services Providers Association. These payments lacked supporting legislation or documented justification, raising concerns about the appropriateness and accountability of public funds.

4.3.8 Other Compliance Issues

Other issues highlighted on compliance amounting to Kshs.350,089,707 includes unbalanced budget, irregular in-kind contributions, under payment of wages among others as detailed in **Table 31** below:

Table 31: Other Compliance Issues

S/No	Water Company	Description	Amount (Kshs)
1.	Kilifi Mariakani Water and Sewerage Co.	There was inaccuracy of Coast water work Development Agency liability with a variance of Kshs.28,749 that was not explained.	221,074,257
2.	Kirandich Water Company	Irregular In Kind Contribution from the County Government utilized on payment of electricity bills on behalf of the company contrary to the provisions of Section 71(4) of the Public Finance Management (County Governments) Regulations, 2015 2. Lack of staff training needs assessment	46,906,661
3.	Kericho Water and Sanitation Co. Ltd	Unmetered Connections sales amounting to Kshs.33,150,438 from unmetered connections	33,150,438

S/No	Water Company	Description	Amount (Kshs)
4.	Gatanga Community Water Scheme	Unbalanced budget contrary to Regulation 31(c) of the Public Finance Management (National Government) Regulations, 2015	13,254,271
5.	Bomet water and sanitation Co.	Unauthorized expenditure on staff cost	12,334,461
6.	Kibwezi Water and Sanitation Company Ltd	Irregular investment in short term deposits	12,000,000
7.	Naivasha Water and Sanitation Company Ltd	Security wages were below minimum wages guidelines by SRC	5,954,332
8.	Nyahururu Water and Sanitation Co. Ltd	The Water Company did not remit Kshs.5.4 million in conservancy revenue collected on behalf of the County Government of Laikipia and instead utilized the funds without the necessary approvals. Additionally, the Company continues to collect conservancy fees under an outdated 2003 agreement, which is contrary to the current mandate of the Laikipia County Revenue Board, thereby undermining lawful revenue administration and accountability.	5,397,703
9.	Homa Bay Water Services Company	Underpayment of Staff of nine (9) employees earning monthly pay of less than Kshs.14,025, resulting in total underpayment of Kshs.17,584 per month.	17,584
		Total	**350,089,707**

4.3.9 Stalled or Abandoned Projects

The audit revealed stalled, abandoned and delayed projects valued at Kshs.622,213,436 reported in three (3) water companies. **Table 32** below shows a summary of the number of stalled projects and their respective contract values.

Table 32: Stalled or Abandoned Projects

Water Company	Description	Amount (Kshs)
Mombasa Water and Sewerage Co.	Stalled Water and Sanitation Development Projects (WSDP): 1. Kipevu Wastewater Treatment Plant (WWTP) and Pumping Station – Reported as work-in-progress with a cumulative cost of Kshs.142,579,933, but construction has stalled. 2. Kizingo Sewerage Treatment Plant – The project was abandoned by the contractor, has since been vandalized, and is non-operational. The exact project cost could not be determined from the records provided. 3. Rehabilitation and Extension of Sewer Networks in West Mainland and Island – This project stalled despite Kshs.324,365,832 having been spent. 4.Construction of 15 Ablution Blocks in Mombasa County – A total of Kshs.110,214,947 was paid, yet the project remains incomplete and non-functional.	577,160,712

Water Company	Description	Amount (Kshs)
Kyeni Water and Sanitation Company Ltd	1.The rehabilitation project at New Thuci Water Intake, awarded at a contract sum of Kshs.24,858,580, was abandoned before completion 2.A total of 84,254mm plastic pipes, procured for the rehabilitation project, were found lying unused within the Kyeni Water Office compound indicating poor project planning and resource utilization.	24,858,580
Homa Bay Water Services Company	1.Ndhiwa Ablution Block – The construction of an ablution block in Ndhiwa stalled with a contract sum of Kshs.5,091,794. 2.Destruction of Water Supply Lines – A project valued at Kshs.15,102,350 for water supply lines was disrupted and damaged, rendering the infrastructure non-functional.	20,194,144
Total		**622,213,436**

Stalled projects indicate that the public has been deprived of the intended benefits of the completed works, and the value for money committed to these projects has not been achieved.

4.4 Cash Management

As at 30 June, 2024 the eighty-seven (87) Water Companies held cumulative cash and bank balances of Kshs.3,143,736,111 as detailed in **Appendix 26**.

Further, twenty-two (22) of the eighty-seven (87) Water Companies had a cumulative balance of Kshs.6,286,756,813 in loans and borrowings from various financial institutions. Details are provided in ***Appendix 27*.**

4.4.1 Unreconciled Balances

Review of records maintained by ten (10) Water Companies indicates aggregate an unreconciled variance of Kshs.221,026,936 between the amounts stated in the cash book and the amounts in the bank statements as summarized in **Table 33** below.

Table 33: Unreconciled Balances

S/No	County Executive Name	Amount (Kshs)
1.	Tavevo Water and Sewerage Co.	196,275,617
2.	Kirandich Water Company	8,632,118
3.	Garissa Water and Sewerage Company Ltd	5,694,938
4.	Kathiani Water and Sanitation Company Ltd	4,362,493
5.	Gatanga Community Water Scheme	3,032,830
6.	Municipal Council of Machakos Water and Sewerage Company Limited	2,238,550
7.	Wote Water and Sanitation Company Ltd	371,650

S/No	County Executive Name	Amount (Kshs)
8.	Gulf Water Services Company Limited	268,180
9.	Kiambu Water and Sewerage Co	76,065
10.	Nakuru Rural Water and Sanitation Co. Ltd	74,495
	Total	**221,026,936**

4.4.2 Undisclosed Bank Accounts

The audit revealed that Nakuru Rural Water and Sanitation Company and Gatanga Community Water Scheme operated one (1) and four (4) undisclosed commercial bank accounts respectively, without providing evidence of approval from the National Treasury. This was contrary to Section 28(1) of the Public Finance Management Act, 2012, which requires public entities to obtain written authority to open and operate bank accounts.

One (1) of the undisclosed accounts had a balance of Kshs.11,479 as at 30 June, 2024, while the balances for the remaining four (4) accounts were not disclosed.

4.4.3 Management of Imprests

Review of the Water Companies records revealed that three (3) Water Companies failed to maintain imprest registers or paid imprests in cash as summarized in **Table 34** below;

Table 34: Issues on Management of Imprests

S/No	Water Company	Imprest Issue	Amount (Kshs)
1	Lodwar Water and Sewerage Co.	Memorandum cashbook for petty cash and Imprest management not maintained.	6,072,879
2	Garissa Water and Sewerage Company Ltd	Imprest payment was in cash through signing of petty cash forms instead of the standard Imprest warrant.	4,439,300
3	Gusii Water and Sanitation Company	Imprest not recorded in the Imprest register.	1,633,200

4.4.4 Other Cash Management Issues

Additional issues relating to cash management were identified and are detailed in **Table 35** below.

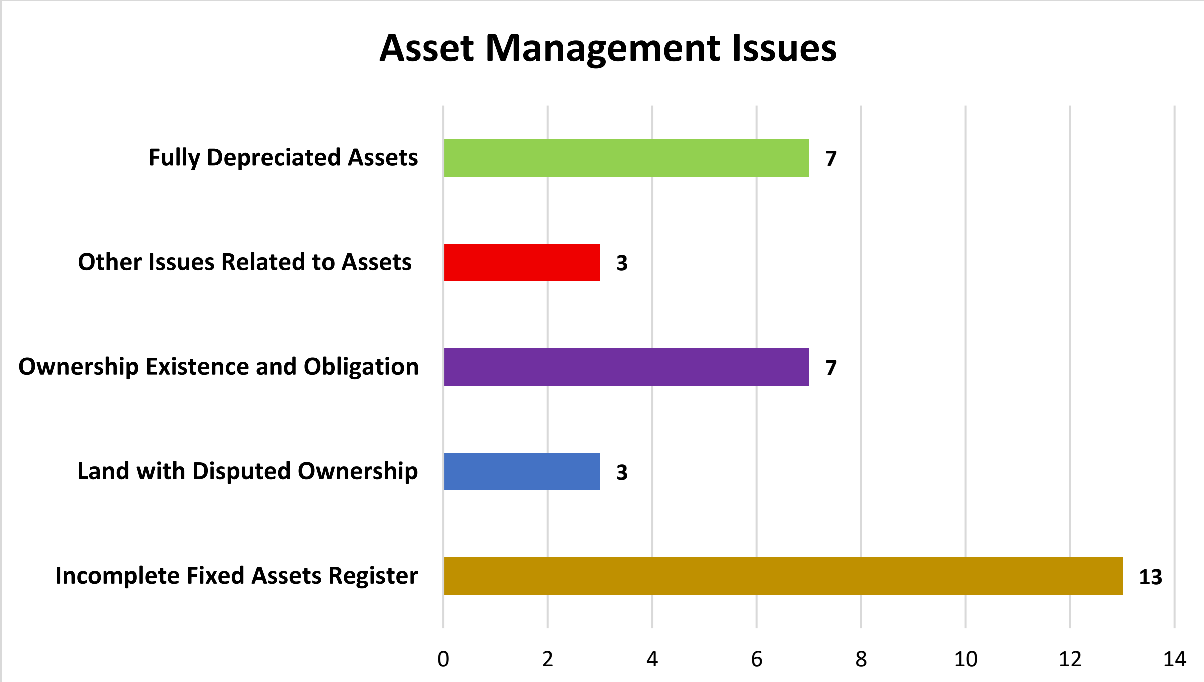
Table 35: Other Issues Related to Cash Management

S/No	Water Company	Cash Management Issue	Amount (Kshs)
1.	Nakuru Rural Water and Sanitation Co. Ltd	Account opening authority for three accounts in NBK and certificate of bank balance and board of survey reports for 13 bank accounts were not provided for audit verification	100,702,705
2.	Garissa Water and Sewerage Company Ltd	Overdrawn cash book balance	10,227,429
3.	Kericho Water and Sanitation Co. Ltd	balances of Kshs.5,669,743 held in three (3) bank accounts which were frozen due to litigations	5,669,743
4.	Nithi Water and Sanitation Company ltd	Understatement of cash balance in statement of cash flows as result of disclosing depreciation as cash outflow in the statement of cash flows	4,821,867
5.	Tavevo Water and Sewerage Co.	Previously reported unsupported balance on Posta Pay	3,040,246
6.	Narok Water andSanitation Company	Two bank accounts not supported with cash books	179,600

4.5 Asset Management

The audit revealed widespread weaknesses in asset management across several Water Companies. Key issues identified include the continued use of fully depreciated assets, disputed or unverified land ownership, incomplete or inaccurate fixed asset registers, and unrecorded or unvalued assets. These deficiencies increase the risk of financial misstatements, potential loss of public assets, and hinder effective planning for maintenance and replacement of critical infrastructure. **Figure 16** below illustrates these assets management issues and the number of affected Water Companies.

Figure 16: Asset Management Issues



4.5.1 Use of Fully Depreciated Assets Without Revaluation

The audit established that seven (7) Water Companies were utilizing assets that had been fully depreciated, as detailed in **Table 36** below. This practice indicates a lack of timely asset revaluation and may result in misstatement of asset values in the financial statements, inadequate planning for asset replacement, and potential service delivery disruptions.

Table 36: Fully Depreciated Assets

S/No	Water Company	Fully Depreciated Assets
1	Iten-Tambach Water Co. Ltd	Property plant and equipment with historical value of Kshs.3,422,300 had been fully depreciated but were still in use. The assets were not included in the financial statements.
2	Nakuru Rural Water and Sanitation Co. Ltd	Assets with the acquisition value of Kshs.32,561,405 were fully depreciated.
3	Othaya Mukurweini Water and Sanitation Co. Ltd	Assets valued at Kshs.133,531,877 had been fully depreciated.
4	Gatundu Water and Sanitation Company Limited	Failure to Revalue Fully Depreciated Assets Still in Use balance of Kshs.27,664,191.
5	Nairobi City Water and Sewerage Company Ltd.	Assets with the acquisition value of Kshs.3,241,899,806 were fully depreciated.

S/No	Water Company	Fully Depreciated Assets
6	Ruiru Juja Water and Sewerage Co	Fully depreciated valued at Kshs.32,223,481
7	Eldoret Water and Sewerage Co.	Fully depreciated assets valued at 263,590,292

4.5.2 Lack of Ownership Documents for Land and Motor Vehicles

Review of records from seven (7) Water Companies revealed that they did not possess ownership documents for parcels of land and logbooks for various motor vehicles, including tractors, tippers, rollers, and motorcycles, as shown in **Table 37** below. Lack of documentation raises concerns over asset ownership, exposes the assets to legal disputes, and hinders effective asset management and accountability.

Table 37: Ownership, Existence and Obligation of Assets

S/No	Water Company	Assets without Ownership Documents
1	Ngagaka Water and Sanitation Company Ltd	The audit revealed that land valued at Kshs.2,000,000 had not been transferred to the Water Company, and the title deed remained in the name of Ngagaka Water Consumers Association.
2	Nakuru Rural Water and Sanitation Co. Ltd	Log books for motor vehicles and motorcycles valued at Kshs.1,642,562 were not in the Company's name.
3	Othaya Mukurweini Water and Sanitation Co. Ltd	The company inherited assets values at Kshs.23,161,509 from TWWSB that were not incorporated in the financial statements.
4	Bomet Water and Sanitation Co. Ltd	Company land valued at Kshs 951,440 did not have a title deed.
5	Matungulu - Kangundo Water and Sewerage Company Ltd	The company did not avail title deed for land valued at Kshs.2,350,000 for audit. Logbooks for motorcycles valued at Kshs.232,000 were also not provided.
6	Eldoret Water and Sewerage Co. Ltd	Logbooks for two vehicles valued at Kshs.23,110,750 were in the name of a contractor and not the Company.

4.5.3 Disputed Land Ownership

Review of records revealed that three (3) Water Companies held parcels of land with unresolved ownership disputes. The lack of clear title poses legal and operational risks, undermines asset security, and may hinder future development or investment on the affected properties as summarized in **Table 38** below;

Table 38: Other Issues Related to Cash Management

S/No	Water Company	Land With Disputed Ownership
1	Iten Tambach Water Co. Ltd	The value of land on which the Company's buildings valued at Kshs.1,198,528 stand was not disclosed in the financial statements.
2	Murang'a West Water and Sanitation Company Limited	Land on which the Company's buildings valued at Kshs.8,700,000 stand has no title deed
3	Nyandarua Water and Sanitation Co. Ltd	Land valued at Kshs.1,000,000 and water tank Kshs.3,184,125 inherited from RVWWDA without ownership documents and handing over report. The ownership documents of other 11 parcels of land were not provided.

4.5.4 Lack or Incomplete Fixed Assets Register

The audit revealed that thirteen (13) Water Companies did not maintain or update their fixed assets registers as detailed in **Table 39**. This hampers proper tracking, verification, and valuation of public assets, increasing the risk of loss, misappropriation, or underutilization.

Table 39: Incomplete Fixed Assets Register

S/No	Water Company	Lack or Incomplete Fixed Assets Register
1.	Elwak Water and Sewerage Company	The fixed asset register was not provided for audit review hence the accuracy of the balance of Property, Plant and Equipment (Kshs.97,938,583) as at 30 June, 2024 could not be confirmed.
2.	Gulf Water Services Company Limited	The fixed asset register was not provided for audit review hence the accuracy of the balance of PPE (Kshs.17,694,239as at 30 June, 2024 could not be confirmed.
3.	Kilifi Mariakani Water and Sewerage Co.	The fixed asset register was not provided for audit review hence the accuracy of the balance of PPE (Kshs.426,451,889) as at 30 June, 2024 could not be confirmed.
4.	Marsabit Water and Sewerage Company	The fixed assets register provided for audit review includes assets of undetermined value that were not disclosed in the financial statements.
5.	Municipal Council of Machakos Water and Sewerage Company Limited	The fixed assets register provided for audit review includes assets of undetermined value that were not disclosed in the financial statements.

S/No	Water Company	Lack or Incomplete Fixed Assets Register
6.	Murang'a West Water and Sanitation Company Limited	The fixed assets register provided for audit review includes assets of undetermined value that were not disclosed in the financial statements.
7.	Nakuru Rural Water and Sanitation Co. Ltd	The asset register was not updated. Two motor vehicles and two motor bikes of unknown amount had not been disclosed in the financial statements
8.	Nol-Turesh Loitokitok Water and Sanitation Company	The company used 8% depreciation policy different from 12.5% in the significant accounting policy. Accuracy of property plant and equipment cannot be confirmed.
9.	Othaya Mukurweini Water and Sanitation Co. Ltd	Failure to maintain fixed asset register in respect of property, plant, and equipment with net book value of kshs.23,161,509
10.	Gatamathi Water and Sanitation Company Limited	Property, plant and equipment balance was not supported with asset register
11.	Kikuyu Water Co.	Lack of Updated Asset Register balance of Kshs.90,711,138
12.	Kyeni Water and Sanitation Company Ltd	Failure to maintain fixed asset register in respect of property, plant, and equipment with net book value of Kshs.8,769,640
13.	Nyanas Water and Sanitation Company Limited	Failure to maintain fixed asset register in respect of property, plant, and equipment with net book value of Kshs.6,670,873

4.5.5 Other Issues Related to Assets Management

Other issues that were highlighted across the Water Companies include:

i. **Un-utilized Assets** – Wajir Water and Sewerage Company had 1,000 heavy duty buckets, 5 three-wheeled motor vehicles (tuk-tuks) and 1 towed flatbed trailer valued at Kshs.15,417,124 that were not in use.

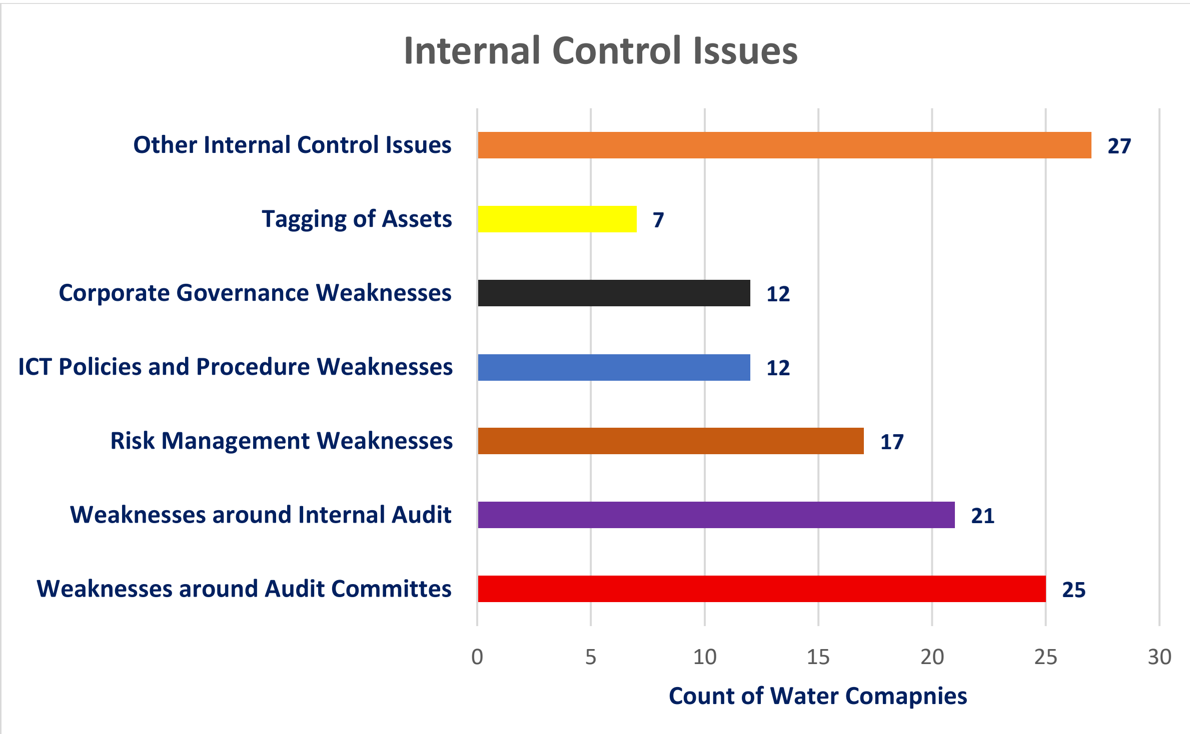
ii. **Work-In-Progress**— Lamu Water and Sewerage Company disclosed Work-In-Progress balance of Kshs.6,781,734 that was not supported by certificate of works done.

iii. **Grounded and Unserviceable Vehicles** – Mombasa Water and Sewerage had 12 grounded motor vehicles, 40 motorcycles and 9 tuk-tuks valued at Kshs.37,523,320 that were unserviceable and not in use.

4.6 Internal Controls and Governance

Pursuant to Section 7(1)(a) of the Public Audit Act, 2015, the Office of the Auditor-General performed audit procedures to assess the effectiveness of internal controls, risk management practices, and overall governance structures within the audited entities. **Figure 17** below illustrates the major issues identified and the number of counties affected.

Figure 17: Internal Controls Issues



4.6.1 Audit Committee Compliance Gaps

During the year under review, twenty-five (25) Water Companies failed to comply with the legal requirements outlined in the Public Finance Management (PFM) Act, 2012 and the Public Finance Management (County Governments) Regulations, 2015, particularly concerning the establishment and functionality of Audit Committees. The issues were as follows.

i. Failure to Establish Audit Committees

Sixteen (16) Water Companies failed to establish Audit Committees, violating Regulation 167(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires every County to form an Audit Committee to oversee financial accountability and risk management as shown in **Appendix 28**. The absence of an Audit Committee means that the counties lack structured oversight mechanisms, increasing exposure to risks in revenue collection and expenditure management, fraud and weak internal controls.

ii. Non-Compliance with Meeting Requirements by Audit Committees

The audit established that Audit Committees of Bomet Water and Sanitation Company and Ruiru Juja Water and Sewerage Company did not convene the minimum four meetings required annually. This contravenes Regulation 172(1) of the Public Finance Management (County Governments) Regulations, 2015, which mandates Audit Committees to meet at least four times a year to oversee financial management and strengthen accountability mechanisms.

iii. Non-Implementation of Audit Recommendations

The audit established that Audit Committees in seven (7) Water Companies listed in **Table 40** below failed to discuss or implement the Auditor-General's recommendations. This was contrary to Regulation 168(b) The Public Finance Management (County Governments) Regulations, 2015 which states that the main function of the audit committee shall be to follow up on the implementation of the recommendations of internal and external auditors.

Table 40: Non-Implementation of Audit Recommendations

S/No	Water Company
1.	Busia Water and Sewerage Services Company Limited
2.	Murang'a West Water and Sanitation Company Limited
3.	Embu Water and Sanitation Company Ltd
4.	Kirinyaga Water and Sanitation Company
5.	Murang'a South Water and Sanitation Co. Ltd
6.	Nyanas Water and Sanitation Company Limited
7.	Olkalou Water and Sanitation Co. Ltd

This lapse undermines the effectiveness of the oversight function and may contribute to the recurrence of audit issues.

4.6.2 Ineffective Internal Audit Functions

Review of Internal Audit functions across the Water Companies revealed that twenty-one (21) Water Companies had deficiencies in staffing, independence, operational effectiveness and follow-up on audit recommendations. Issues noted were as follows.

i. Inadequate Staffing of Internal Audit Function

The audit revealed that Gatanga Community Water Scheme had only one officer assigned to the internal audit unit. This was contrary to Regulation 155(2)(b) of the Public Finance Management (County Governments) Regulations, 2015, which requires the Accounting Officer to ensure that the internal audit unit is appropriately structured and resourced to maintain independence, provide comprehensive audit coverage, and ensure proper follow-up of audit findings. The limited staffing undermines the effectiveness of internal controls and weakens financial oversight.

ii. Lack of Internal Audit Functions

Fourteen (14) Water Companies failed to establish their internal audit functions in violation to Section 155(1)(a) of the Public Finance Management Act, 2012 which states a county government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board. **Appendix 29.**

iii. Lack of Approved Audit Plans and Internal Audit Charters

Mbooni Water and Sanitation Company and Murang’a West Water and Sanitation Company failed to prepare or approve internal audit work plans and internal audit charters violating Regulation 163(1) of the Public Finance Management (County Governments) Regulations, 2015, which states that Internal audit planning shall be carried out on the basis of risk assessment and shall be set out in a three-year strategic plan, on the basis of which an annual internal audit activity plan shall be developed.

iv. Failure to Implement Internal Audit Recommendations

The audit revealed that four (4) Water Companies failed to implement recommendations from internal audit reports, leading to the recurrence of financial irregularities as listed in **Table 41** below. This contravenes Regulation 155(2)(c) of the Public Finance Management (County Governments) Regulations, 2015, which obligates accounting officers to take appropriate action on internal audit findings. The inaction undermines internal control systems and weakens financial governance within the affected entities.

Table 41: Failure to Implement Internal Audit Recommendations

S/No	Water Company
1.	Kirinyaga Water and Sanitation Company
2.	Murang'a South Water and Sanitation Co. Ltd
3.	Nyanas Water and Sanitation Company Limited
4.	Olkalou Water and Sanitation Co. Ltd

4.6.3 Lack of Risk Management Policies

Review of records and processes revealed that Seventeen (17) Water Companies as shown in ***Appendix 30*****.** lacked a Risk Management Policy. This was contrary to the requirements of the Public Finance Management Act, 2012 and the Public Finance Management (County Governments) Regulations, 2015. Further, Section 155(1)(a) of the Public Finance Management Act, 2012 mandates public entities to establish a risk management and internal control systems.

In addition, Regulation 158(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 obligates Counties to develop and maintain a Risk Management Framework to assess and mitigate financial and operational risks. The absence of the policies exposes Counties to financial mismanagement, fraud, inefficiencies, and operational vulnerabilities, ultimately undermining effective service delivery and public resource protection.

4.6.4 Weak ICT Policies and Controls

The audit established that twelve (12) Water Companies, as listed in **Appendix 31**, had inadequate ICT policies and weak control environments. This deficiency undermines the ability to manage, secure, and optimize ICT resources effectively. The absence of robust ICT frameworks increases exposure to cyber risks, compromises the safeguarding of information assets, and weakens the alignment of technology with business objectives. Ultimately, this may impair operational efficiency and hinder sustained service delivery to the public.

4.6.5 Other Issues Relating to Corporate Governance

Review of the Water Companies' management structure revealed that twelve (12) Water Companies had weaknesses in Corporate Governance as shown in **Appendix 32**:

4.6.6 Tagging of Assets

Table 42 reflects seven (7) water companies that had not tagged their assets.

Table 42: Tagging of Assets

S/No	Water Company
1.	Kirandich Water Company
2.	Nyahururu Water and Sanitation Co. Ltd
3.	Busia Water and Sewerage Services Company Limited
4.	Gulf Water Services Company Limited
5.	Nyandarua Water and Sanitation Co. Ltd
6.	Migori County Water and Sanitation Company Limited
7.	Olkalou Water and Sanitation Co. Ltd

4.6.7 Other Issues on Internal Controls

The following twenty-seven (27) water companies had other internal control issues as detailed in **Appendix 33**.

5.0 ROOT-CAUSE ANALYSIS AND STRATEGIC RECOMMENDATIONS

5.1 Introduction

This report formulates and suggests high-level cross-cutting root cause-based recommendations for key areas relating to policy challenges, structural/administrative actions, or where legislation may need to be amended to improve performance. The recommendations are directed towards the strategy of ensuring that the water companies achieve Zero Fault Audit Initiative.

5.2 Root Causes of Issues Reported in the Auditor-General's Reports

5.2.1 Systemic Weaknesses Contributing to Non-Revenue Water

Non-Revenue Water (NRW) remains a critical challenge among water companies, with losses attributed to aging infrastructure, faulty or inaccurate meters, illegal connections, flat-rate billing practices, and the continued use of outdated tariffs that do not reflect the true cost of water production and distribution. Additionally, many utilities face poor data management, weak enforcement mechanisms, and inadequate investment in maintenance. This translates to revenue loss severely undermining the financial sustainability of the water sector.

5.2.2 Weak Governance Structures

Many audit issues originate from ineffective governance frameworks. This includes unclear lines of accountability, insufficient oversight mechanisms, and a lack of ethical leadership. When leadership fails to set a tone of integrity and transparency, it creates an environment where mismanagement and non-compliance can flourish. Without strong governance, decision-making becomes inconsistent, and oversight bodies such as boards or audit committees are often underutilized or sidelined.

5.2.3 Inadequate Risk Management

Some of the water companies do not have structured risk management systems in place. This means they are unable to proactively identify, assess, and mitigate risks that could impact their operations or financial health. The absence of risk registers, risk mitigation plans, and regular risk assessments leaves organizations vulnerable to both internal and external threats, including fraud, operational disruptions, and financial losses.

5.2.4 Deficient Internal Controls

Internal control systems are essential for ensuring the accuracy and integrity of financial transactions. However, some water companies suffer from weak or outdated control mechanisms. Common issues include poor segregation of duties, which increases the risk of fraud; lack of regular reconciliations, which can lead to undetected errors; and weak approval processes, which allow unauthorized or inappropriate expenditures. These deficiencies compromise the reliability of financial reporting and operational efficiency.

5.2.5 Non-Compliance with Laws and Regulations

Audit reports frequently highlight instances where entities fail to comply with applicable laws, regulations, and internal policies. This includes violations of procurement procedures, financial reporting standards, and employment regulations. Non-compliance often stems from a lack of awareness, inadequate training, or deliberate disregard for rules. Such practices not only lead to audit queries but also expose entities to legal and reputational risks.

5.2.6 Capacity Gaps

Many public sector entities face significant human resource challenges. These include understaffing, lack of technical expertise, and limited access to professional development opportunities. Without adequately trained and experienced personnel, entities struggle to maintain sound financial management practices, implement effective controls, and respond to audit findings. Capacity gaps also hinder the ability to adapt to new systems, regulations, and technologies.

5.2.7 Poor Record Keeping and Documentation

Accurate and complete documentation is critical for transparency and accountability. However, some universities fail to maintain proper records to support financial transactions. Missing or incomplete documentation makes it difficult for auditors to verify expenditures, assess compliance, or trace the flow of funds. This often results in audit qualifications or disclaimers, even when the underlying transactions are legitimate.

5.2.8 Inaccurate Financial Reporting

Accurate financial reporting is a cornerstone of good financial governance. Yet, many water companies submit their financial statements with significant errors. These inaccuracies are often due to manual processes, lack of internal deadlines, and insufficient review mechanisms. Inaccurate reporting undermines decision-making, reduces stakeholder confidence, and increases the likelihood of audit findings.

5.3 Recommendations on Issues Reported in the Auditor-General's Reports

5.3.1 Policy and Operational Measures to Reduce NRW

To address the challenges of non-revenue water, water companies should prioritize infrastructure rehabilitation, implement accurate metering systems, and transition fully to consumption-based billing. Updating tariff structures to reflect current economic realities and operational costs is essential for cost recovery and long-term viability. Strengthening enforcement against illegal connections, improving data management systems, and adopting proactive maintenance strategies will further support NRW reduction. Each water company should also develop a structured NRW reduction plan, backed by adequate funding, technical capacity building, and regular performance monitoring, to meet regulatory targets and improve service delivery.

5.3.2 Strengthen Governance and Oversight

To address governance-related weaknesses, the water companies should establish and empower audit committees with clear mandates and independence. These committees should actively oversee financial reporting, risk management, and internal controls. Additionally, accountability should be enforced through performance contracts for senior management, linked to measurable outcomes. Regular evaluations and performance reviews should be institutionalized to ensure that leadership remains focused on compliance, transparency, and service delivery.

5.3.3 Enhance Risk Management Frameworks

The water companies must adopt structured risk management frameworks that are integrated into their strategic and operational planning. This includes conducting regular risk assessments to identify potential threats and vulnerabilities. Based on these assessments, water companies should develop and implement risk mitigation plans with clear responsibilities and timelines. A proactive approach to risk management helps prevent financial losses, operational disruptions, and reputational damage.

5.3.4 Improve Internal Controls

Strengthening internal controls is essential for safeguarding assets and ensuring accurate financial reporting. The water companies should automate financial systems to reduce the risk of human error and manipulation. Automation also enhances efficiency and traceability. Furthermore, strict enforcement of segregation of duties and regular reconciliations should be prioritized to prevent fraud and detect discrepancies early. Internal control policies should be reviewed periodically and updated to reflect changes in operations and regulations.

5.3.5 Ensure Legal and Regulatory Compliance

To improve compliance, the water companies should invest in regular training for staff on relevant laws, regulations, and internal policies. This ensures that employees are aware of their obligations and the consequences of non-compliance. In addition, periodic compliance audits should be conducted to assess adherence to legal and regulatory requirements. Findings from these audits should inform corrective actions and policy updates.

5.3.6 Build Capacity and Competence

Addressing capacity gaps requires a deliberate focus on human resource development. The water companies should invest in continuous professional development programs for staff, particularly in finance, procurement, and audit functions. This includes both technical training and soft skills development. Recruitment strategies should prioritize hiring qualified and experienced personnel. Mentorship and knowledge transfer initiatives can also help build institutional memory and resilience.

5.3.7 Digitize and Secure Records

Improving record-keeping is critical for audit readiness and operational efficiency. The water companies should implement electronic document management systems (EDMS) to ensure that records are complete, organized, and easily retrievable. These systems should include features for secure storage, access control, and audit trails. Regular backups and disaster recovery plans should be in place to protect data from loss or corruption.

5.3.8 Timely and Accurate Financial Reporting

To enhance the quality and timeliness of financial reporting, all water companies should adopt financial management information systems that streamline data entry, processing, and reporting. These systems reduce manual errors and improve consistency. Internal deadlines should be set well ahead of statutory reporting dates to allow for thorough review and quality assurance. Regular internal reviews of financial statements can help identify and correct errors before submission to external auditors.

6.0 STRATEGY FOR ACHIEVING A ZERO-FAULT AUDIT REPORTING

To move towards a zero-fault audit environment, public sector entities must adopt a holistic and sustained approach. This strategy should be anchored on four foundational pillars: Governance and Leadership, Risk Management, Internal Controls, and Compliance. Each pillar plays a critical role in building a culture of accountability, transparency, and continuous improvement.

6.1 Governance and Leadership

Strong governance and ethical leadership are the cornerstones of effective public financial management. Promoting ethical leadership involves cultivating values such as integrity, transparency, and responsibility at all levels of the organization. Leaders must set the tone from the top by modelling ethical behavior and holding themselves and others accountable.

Institutionalizing performance-based management ensures that individuals and departments are evaluated based on clear, measurable outcomes. This approach aligns individual performance with organizational goals and encourages a results-oriented culture.

Additionally, the role of Boards and Audit Committees must be strengthened. These oversight bodies should be empowered with the authority, resources, and independence to monitor financial performance, review audit findings, and ensure timely implementation of corrective actions. Their active engagement is essential for maintaining accountability and driving improvements.

6.2 Risk Management

Effective risk management enables entities to anticipate and respond to potential threats before they escalate into significant issues. Developing Enterprise Risk Management (ERM) frameworks provides a structured approach to identifying, assessing, and mitigating risks across all functions.

Risk management should not be treated as a standalone activity but must be integrated into strategic and operational planning. This ensures that risk considerations are embedded in decision-making processes and resource allocation.

Entities should also establish mechanisms to monitor and report on key risk indicators regularly. This includes maintaining risk registers, conducting periodic risk reviews, and using dashboards to track risk trends. A proactive risk management culture helps prevent audit issues and enhances organizational resilience.

6.3 Internal Controls

Robust internal controls are essential for ensuring the accuracy, reliability, and integrity of financial and operational processes. Conducting internal control self-assessments allows entities to identify weaknesses and take corrective action before external audits reveal them.

Automation of financial systems is a key strategy for strengthening controls. Automated systems reduce the risk of human error, enforce segregation of duties, and provide audit trails for all transactions. This enhances both efficiency and accountability.

Control procedures should be regularly reviewed and updated to reflect changes in the operating environment, regulatory requirements, and emerging risks. Continuous improvement of internal controls is vital for maintaining audit readiness and operational effectiveness.

6.4 Compliance

Compliance with laws, regulations, and internal policies is non-negotiable for public entities. Establishing dedicated compliance units within organizations ensures that there is a clear mandate and accountability for monitoring adherence to applicable requirements.

Regular training on compliance requirements is essential to keep staff informed about evolving laws, standards, and procedures. This helps prevent unintentional violations and fosters a culture of compliance.

To support monitoring efforts, entities should implement compliance dashboards that track key indicators and flag areas of concern. These tools provide real-time insights and support timely decision-making. A strong compliance framework not only reduces audit faults but also enhances public trust and institutional credibility.

APPENDICES

Appendix 1: Ownership of Water Companies

S/No	Name of Water Company
1.	Embe Water and Sanitation Company Limited
2.	Kakamega County Rural Water and Sanitation Company Limited
3.	Meru Rural Water and Sanitation Company Limited
4.	Samburu Water and Sanitation Company Limited
5.	Busia Water and Sewerage Services Company Limited
6.	Gulf Water Services Company Limited
7.	Gatamathi Water and Sanitation Company Limited
8.	Isiolo Water and Sewerage Company Limited
9.	Kapenguria Water Company Limited
10.	Lamu Water and Sewerage Company
11.	Mandera Water and Sewerage Company Limited
12.	Muranga Water and Sanitation Company Limited
13.	Nithi Water and Sanitation Company Limited
14.	Olkejuado Water and Sewerage Company Limited
15.	Rukanga Water and Sanitation Company Limited
16.	Kirinyaga Water and Sanitation Company Limited
17.	Kyeni Water and Sanitation Company Limited
18.	Meru Water and Sewerage Company Limited
19.	Ngandori Water and Sanitation Company PLC

Appendix 2: Revenue Performance

S/No	Water Company	Budgeted Revenue (Kshs)	Total Revenue (Kshs)	Surplus/ (Shortfall) (Kshs)	Perfor-mance %
1.	Nairobi City Water and Sewerage Company	12,922,156,719	11,699,734,849	(1,222,421,870)	91
2.	Malindi Water and Sewerage Company Limited	1,411,745,425	1,299,856,447	(111,888,978)	92
3.	Ruiru Juja Water and Sewerage Company Limited	1,360,659,902	1,217,084,501	(143,575,401)	89
4.	Nakuru Water and Sanitation Services Company Limited	1,237,291,804	1,151,825,231	(85,466,573)	93
5.	Eldoret Water and Sewerage Company Limited	1,209,423,721	982,511,136	(226,912,585)	81
6.	Kisumu Water and Sewerage Company Limited	1,181,771,998	1,135,277,960	(46,494,038)	96
7.	Mombasa Water and Sewerage Company Limited	1,164,609,617	1,042,311,416	(122,298,201)	90
8.	Tavevo Water and Sewerage Company Limited	1,084,143,607	547,153,600	(536,990,007)	50

S/No	Water Company	Budgeted Revenue (Kshs)	Total Revenue (Kshs)	Surplus/ (Shortfall) (Kshs)	Perfor-mance %
9.	Thika Water and Sewerage Company Limited	1,079,422,536	1,022,945,657	(56,476,879)	95
10.	Kilifi Mariakani Water and Sewerage Company Limited	1,000,749,034	826,314,239	(174,434,795)	83
11.	Kwale Water and Sewerage Company Limited	967,729,472	866,090,871	(101,638,601)	90
12.	Wajir Water and Sewerage Company Limited	820,093,130	722,605,057	(97,488,073)	88
13.	Nyeri Water and Sanitation company	755,356,002	682,179,002	(73,177,000)	90
14.	Kakamega County Water and Sanitation Company Limited.	690,492,367	363,832,165	(326,660,202)	53
15.	Mandera Water and Sewerage Company Ltd	590,753,557	445,546,499	(145,207,058)	75
16.	Nzoia Water Service Company Limited	537,713,546	418,290,098	(119,423,448)	78
17.	Gusii Water and Sanitation Company	506,425,522	256,989,769	(249,435,753)	51
18.	Nakuru Rural Water and Sanitation Company Limited	454,909,562	439,935,847	(14,973,715)	97
19.	Embu Water and Sanitation Company Ltd	450,896,709	450,470,890	(425,819)	100
20.	Nanyuki Water and Sanitation Company Limited	422,105,489	414,807,317	(7,298,172)	98
21.	Nyahururu Water and Sanitation Company Limited	380,245,043	285,297,658	(94,947,385)	75
22.	Naivasha Water and Sanitation Company Ltd	370,356,405	267,900,731	(102,455,674)	72
23.	Mavoko Water and Sanitation Company	366,290,514	241,667,924	(124,622,590)	66
24.	SIBO Water and Sanitation Company	344,478,668	174,750,329	(169,728,339)	51
25.	Kitui Water and Sanitation Company Ltd	339,847,646	279,881,288	(59,966,358)	82
26.	Muranga Water and Sanitation Company Ltd	337,972,901	301,133,386	(36,839,515)	89
27.	Kiambu Water and Sewerage Company Limited	328,957,222	326,962,872	(1,994,350)	99
28.	Murang'a South Water and Sanitation Company Limited	317,577,663	286,476,812	(31,100,851)	90
29.	Kericho Water and Sanitation Company Limited	299,412,304	240,169,711	(59,242,593)	80
30.	Municipal Council of Machakos Water and Sewerage Company Limited	290,568,144	92,789,609	(197,778,535)	32
31.	Meru Water and Sewerage Company Ltd	265,390,242	255,959,564	(9,430,678)	96
32.	Busia Water and Sewerage Services Company Limited	258,558,268	58,014,331	(200,543,937)	22

S/No	Water Company	Budgeted Revenue (Kshs)	Total Revenue (Kshs)	Surplus/ (Shortfall) (Kshs)	Perfor-mance %
33.	Bomet Water and Sanitation Company Limited	258,490,419	158,358,638	(100,131,781)	61
34.	Kirinyaga Water and Sanitation Company	254,768,129	207,627,665	(47,140,464)	82
35.	Kikuyu Water Company Limited	244,522,691	212,618,704	(31,903,987)	87
36.	Homa Bay Water Services Company Limited	243,725,686	143,625,111	(100,100,575)	59
37.	Narok Water and Sanitation Company Limited	197,985,028	161,587,821	(36,397,207)	82
38.	Limuru Water and Sewerage Company Limited	196,101,179	191,463,142	(4,638,037)	98
39.	Kiambere Mwingi Water and Sanitation Company Ltd	195,000,000	116,619,830	(78,380,170)	60
40.	Gatundu Water and Sanitation Company Limited	187,753,000	170,726,351	(17,026,649)	91
41.	Mathira Water and Sanitation Company	176,514,384	168,932,681	(7,581,703)	96
42.	Migori County Water and Sanitation Company Limited	172,618,502	79,851,416	(92,767,086)	46
43.	Amatsi Water Services Company Ltd	162,261,581	98,442,797	(63,818,784)	61
44.	Oloolaiser Water and Sewerage Company	158,010,861	119,823,398	(38,187,463)	76
45.	Karuri Water and Sanitation Co.	156,455,000	108,712,163	(47,742,837)	69
46.	Ngandori Water and Sanitation Company Plc	136,493,627	97,503,057	(38,990,570)	71
47.	Kapsabet-Nandi Water Services Company	124,959,008	118,349,821	(6,609,187)	95
48.	Lodwar Water and Sewerage Company Limited	108,000,000	106,857,705	(1,142,295)	99
49.	Gatamathi Water and Sanitation Company Limited	99,510,000	75,990,275	(23,519,725)	76
50.	Nithi Water and Sanitation Company Limited	99,340,964	94,387,293	(4,953,671)	95
51.	Kibwezi Water and Sanitation Company Ltd	98,152,933	86,480,292	(11,672,641)	88
52.	Kirandich Water Company Limited	88,449,814	81,664,035	(6,785,779)	92
53.	Lamu Water and Sewerage Company Limited	86,962,000	67,022,793	(19,939,207)	77
54.	Tana River Water and Sanitation Company	86,000,000	57,567,192	(28,432,808)	67
55.	Nol-Turesh Loitokitok Water and Sanitation Company	84,802,000	64,205,390	(20,596,610)	76
56.	Tetu Aberdare Water and Sanitation Company Limited	83,523,500	71,670,064	(11,853,436)	86
57.	Samburu Water and Sanitation Company	81,000,000	47,558,322	(33,441,678)	59

S/No	Water Company	Budgeted Revenue (Kshs)	Total Revenue (Kshs)	Surplus/ (Shortfall) (Kshs)	Perfor-mance %
58.	Marsabit Water and Sewerage Company (MARWASCO)	76,020,000	63,459,135	(12,560,865)	83
59.	Elwak Water and Sewerage Company	73,369,839	44,681,240	(28,688,599)	61
60.	Meru Rural Water and Sanitation Company Ltd	67,536,158	59,076,849	(8,459,309)	87
61.	Nyandarua Water and Sanitation Company Limited	64,667,480	60,504,880	(4,162,600)	94
62.	Gatanga Community Water Scheme	63,235,676	61,719,361	(1,516,315)	98
63.	Olkalou Water and Sanitation Company Limited	60,676,235	52,844,255	(7,831,980)	87
64.	Eldama Ravine Water and Sewerage Company Limited	59,542,737	37,180,222	(22,362,515)	62
65.	Kakamega County Rural Water and Sanitation Company Ltd.	52,760,000	39,244,720	(13,515,280)	74
66.	Wote Water and Sanitation Company Ltd	49,300,000	39,424,623	(9,875,377)	80
67.	Ngagaka Water and Sanitation Company Ltd	47,325,500	46,179,100	(1,146,400)	98
68.	Olkejuado Water and Sewerage Company	45,985,913	21,251,063	(24,734,850)	46
69.	Iten Tambach Water Company Limited	41,500,000	36,000,500	(5,499,500)	87
70.	Embe Water and Sanitation Company Ltd	40,111,000	30,439,570	(9,671,430)	76
71.	Yatta Water and Services Company	29,973,202	28,821,323	(1,151,879)	96
72.	Kapenguria Water Company	24,640,000	23,717,311	(922,689)	96
73.	Mwala Water and Sanitation Co.	23,894,220	5,781,598	(18,112,622)	24
74.	Kyeni Water and Sanitation Company Ltd	22,045,645	15,536,460	(6,509,185)	70
75.	Matungulu - Kangundo Water and Sewerage Company	20,839,058	14,503,104	(6,335,954)	70
76.	Naromoru Water and Sanitation Company Limited	18,946,139	17,368,926	(1,577,213)	92
77.	Rukanga Water and Sanitation Co.	16,451,145	13,860,057	(2,591,088)	84
78.	Cherang'any Marakwet Water and Sanitation Company Limited	8,000,000	7,703,500	(296,500)	96
79.	Mbooni Water and Sanitation Company Limited MBONWASCO	5,022,676	4,222,240	(800,436)	84
	Total	**39,384,153,028**	**33,798,235,249**	**(5,585,917,779)**	**86**

Appendix 3: Own Source Revenue Analysis

S/No	Water Company	Amount (Kshs)
1.	Nairobi City Water & Sewerage Company	10,949,340,160
2.	Ruiru Juja Water and Sewerage Co	1,209,030,301
3.	Nakuru Water and Sanitation Services Co.	1,151,825,231
4.	Kisumu Water and Sewerage Company	1,067,878,298
5.	Mombasa Water and Sewerage Co.	1,042,311,416
6.	Thika Water and Sewerage Co	1,012,812,717
7.	Eldoret Water & Sewerage Co.	938,100,829
8.	Malindi Water and Sewerage Co.	671,816,179
9.	Nyeri Water and Sanitation company	641,813,053
10.	Kilifi Mariakani Water and Sewerage Co.	614,649,249
11.	Embu Water and Sanitation Company Ltd	414,820,531
12.	Nzoia Water Service Co.	413,700,898
13.	Tavevo Water and Sewerage Co.	395,359,725
14.	Nanyuki Water and Sanitation Company Limited	381,831,698
15.	Nakuru Rural Water and Sanitation Company Limited	367,703,875
16.	Kakamega County Water and Sanitation Company Ltd.	335,571,484
17.	Kiambu Water and Sewerage Co	306,035,050
18.	Garissa Water and Sewerage Company Ltd	304,746,356
19.	Murang'a South Water and Sanitation Company Limited	276,042,660
20.	Muranga Water and Sanitation Company Limited	262,508,451
21.	Nyahururu Water and Sanitation Company Limited	254,176,717
22.	Meru Water and Sewerage Company Ltd	249,998,531
23.	Mavoko Water Company	241,663,924
24.	Gusii Water and Sanitation Company	236,889,068
25.	Kericho Water and Sanitation Company Limited	231,223,841
26.	Naivasha Water and Sanitation Company Ltd	216,467,782
27.	Kwale Water & Sewerage Co.	200,033,927
28.	Othaya Mukurweini Water and Sanitation Company Limited	196,648,171

S/No	Water Company	Amount (Kshs)
29.	Limuru Water and Sewerage Co	185,939,346
30.	Kirinyaga Water and Sanitation Company	182,507,989
31.	Kikuyu Water Co.	147,960,140
32.	Mathira Water and Sanitation Company	147,069,848
33.	SIBO Water Company	146,568,831
34.	Kitui Water and Sanitation Company Ltd	138,928,718
35.	Narok Water & Sanitation Company	136,031,650
36.	Gatundu Water and Sanitation Company Limited	124,532,922
37.	Oloolaiser Water and Sewerage Company	119,823,399
38.	Isiolo Water and Sewerage Company Ltd	110,417,228
39.	Murang'a West Water and Sanitation Company Limited	106,325,570
40.	Karuri Water and Sanitation Co.	100,908,735
41.	Ngandori Water and Sanitation Company Plc	94,984,769
42.	Municipal Council of Machakos Water and Sewerage Company Limited	90,267,116
43.	Homa Bay Water Services Company	83,381,891
44.	Kapsabet-Nandi Water Services Company	83,243,745
45.	Kibwezi Water and Sanitation Company Ltd	82,744,035
46.	Nithi Water and Sanitation Company ltd	78,538,724
47.	Kirandich Water Company	78,492,726
48.	Bomet Water and Sanitation Co.	78,358,638
49.	Gatamathi Water and Sanitation Company Limited	73,516,850
50.	Lodwar Water and Sewerage Co.	71,957,628
51.	Tetu Aberdare Water and Sanitation Company Limited	69,374,416
52.	Kiambere Mwingi Water and Sanitation Company Ltd	69,238,060
53.	Amatsi Water Services Company Ltd	68,340,191
54.	Gatanga Community Water Scheme	61,193,458
55.	Nyandarua Water and Sanitation Company Limited	54,050,796
56.	Meru Rural Water and Sanitation Company Ltd	52,548,775
57.	Busia Water & Sewerage Services Company Limited	48,530,740
58.	Nol-Turesh Loitokitok Water and Sanitation Company	47,165,790
59.	Olkalou Water and Sanitation Company Limited	45,759,254
60.	Githunguri Water and Sanitation co.	44,173,359
61.	Ngagaka Water and Sanitation Company Ltd	41,979,100
62.	Eldama Ravine Water and Sewerage Company Limited	37,180,222
63.	Iten Tambach Water Co. Ltd	36,000,505

S/No	Water Company	Amount (Kshs)
64.	Tana River Water and Sanitation Company	35,089,066
65.	Embe Water and Sanitation Company Ltd	30,439,570
66.	Wote Water and Sanitation Company Ltd	29,991,005
67.	Yatta Water and Services Company	28,139,013
68.	Migori County Water and Sanitation Company Limited	25,698,733
69.	Nyanas Water and Sanitation Company Limited	22,772,976
70.	Samburu Water and Sanitation Company	22,506,815
71.	Lamu Water and Sewerage Company Limited	22,002,597
72.	Gulf Water Services Company Limited	20,233,240
73.	Olkejuado Water and Sewerage Company	19,851,063
74.	Kathiani Water and Sanitation Company Ltd	19,492,481
75.	Mandera Water and Sewerage Company Ltd	19,102,817
76.	Kakamega County Rural Water and Sanitation Company Ltd.	18,744,720
77.	Naromoru Water and Sanitation Company Limited	17,368,926
78.	Kapenguria Water Company	17,217,311
79.	Kyeni Water and Sanitation Company Ltd	15,536,460
80.	Marsabit Water and Sewerage Company	15,459,135
81.	Wajir Water and Sewerage Company Limited	15,407,190
82.	Matungulu - Kangundo Water and Sewerage Company	13,507,504
83.	Rukanga Water and Sanitation Co.	12,985,057
84.	Cherang'any Marakwet Water and Sanitation Company Limited	7,703,500
85.	Mwala Water and Sanitation Co.	5,781,348
86.	Elwak Water and Sewerage Company	3,336,240
87.	Mbooni Water and Sanitation Company Limited	2,613,130
	Total	**28,162,615,183**

Appendix 4: Actual Revenue Performance Against Budget

S/No	Water Company	Budgeted Revenue (Kshs)	Total Revenue (Kshs)	Shortfall (Kshs)	Perfor-mance %
1.	Nairobi City Water & Sewerage Company	12,922,156,719	11,699,734,849	1,222,421,870	91
2.	Malindi Water and Sewerage Co.	1,411,745,425	1,299,856,447	(111,888,978)	92
3.	Ruiru Juja Water and Sewerage Co	1,360,659,902	1,217,084,501	(143,575,401)	89
4.	Nakuru Water and Sanitation Services Co.	1,237,291,804	1,151,825,231	(85,466,573)	93
5.	Eldoret Water & Sewerage Co.	1,209,423,721	982,511,136	(226,912,585)	81
6.	Kisumu Water and Sewerage Company	1,181,771,998	1,135,277,960	(46,494,038)	96
7.	Mombasa Water and Sewerage Co.	1,164,609,617	1,042,311,416	(122,298,201)	90
8.	Tavevo Water and Sewerage Co.	1,084,143,607	547,153,600	(536,990,007)	50
9.	Thika Water and Sewerage Co	1,079,422,536	1,022,945,657	(56,476,879)	95
10.	Kilifi Mariakani Water and Sewerage Co.	1,000,749,034	826,314,239	(174,434,795)	83
11.	Kwale Water and Sewerage Co.	967,729,472	866,090,871	(101,638,601)	90
12.	Wajir Water and Sewerage Company Limited	820,093,130	722,605,057	(97,488,073)	88
13.	Nyeri Water and Sanitation company	755,356,002	682,179,002	(73,177,000)	90
14.	Kakamega County Water and Sanitation Company Ltd.	690,492,367	363,832,165	(326,660,202)	53
15.	Mandera Water and Sewerage Company Ltd	590,753,557	445,546,499	(145,207,058)	75
16.	Nzoia Water Service Co.	537,713,546	418,290,098	(119,423,448)	78
17.	Gusii Water and Sanitation Company	506,425,522	256,989,769	(249,435,753)	51
18.	Nakuru Rural Water and Sanitation Company Limited	454,909,562	439,935,847	(14,973,715)	97
19.	Embu Water and Sanitation Company Ltd	450,896,709	450,470,890	(425,819)	100
20.	Nanyuki Water and Sanitation Company Ltd	422,105,489	414,807,317	(7,298,172)	98

S/No	Water Company	Budgeted Revenue (Kshs)	Total Revenue (Kshs)	Shortfall (Kshs)	Perfor-mance %
21.	Nyahururu Water and Sanitation Company Ltd	380,245,043	285,297,658	(94,947,385)	75
22.	Naivasha Water and Sanitation Company Ltd	370,356,405	267,900,731	(102,455,674)	72
23.	Mavoko Water Company	366,290,514	241,667,924	(124,622,590)	66
24.	SIBO Water Company	344,478,668	174,750,329	(169,728,339)	51
25.	Kitui Water and Sanitation Company Ltd	339,847,646	279,881,288	(59,966,358)	82
26.	Muranga Water and Sanitation Company Ltd	337,972,901	301,133,386	(36,839,515)	89
27.	Kiambu Water and Sewerage Co	328,957,222	326,962,872	(1,994,350)	99
28.	Murang'a South Water and Sanitation Company Ltd	317,577,663	286,476,812	(31,100,851)	90
29.	Kericho Water and Sanitation Company Ltd	299,412,304	240,169,711	(59,242,593)	80
30.	Municipal Council of Machakos Water and Sewerage Company Limited	290,568,144	92,789,609	(197,778,535)	32
31.	Meru Water and Sewerage Company Limited	265,390,242	255,959,564	(9,430,678)	96
32.	Busia Water and Sewerage Services Company Limited	258,558,268	58,014,331	(200,543,937)	22
33.	Bomet Water and Sanitation Co.	258,490,419	158,358,638	(100,131,781)	61
34.	Kirinyaga Water and Sanitation Company	254,768,129	207,627,665	(47,140,464)	82
35.	Kikuyu Water Co.	244,522,691	212,618,704	(31,903,987)	87
36.	Homa Bay Water Services Company Limited	243,725,686	143,625,111	(100,100,575)	59
37.	Narok Water and Sanitation Company Limited	197,985,028	161,587,821	(36,397,207)	82
38.	Limuru Water and Sewerage Company Limited	196,101,179	191,463,142	(4,638,037)	98
39.	Kiambere Mwingi Water and Sanitation Company Limited	195,000,000	116,619,830	(78,380,170)	60
40.	Gatundu Water and Sanitation Company Limited	187,753,000	170,726,351	(17,026,649)	91
41.	Mathira Water and Sanitation Company Limited	176,514,384	168,932,681	(7,581,703)	96

S/No	Water Company	Budgeted Revenue (Kshs)	Total Revenue (Kshs)	Shortfall (Kshs)	Perfor-mance %
42.	Migori County Water and Sanitation Company Limited	172,618,502	79,851,416	(92,767,086)	46
43.	Amatsi Water Services Company Limited	162,261,581	98,442,797	(63,818,784)	61
44.	Oloolaiser Water and Sewerage Company Limited	158,010,861	119,823,398	(38,187,463)	76
45.	Karuri Water and Sanitation Company Limited	156,455,000	108,712,163	(47,742,837)	69
46.	Ngandori Water and Sanitation Company Plc	136,493,627	97,503,057	(38,990,570)	71
47.	Kapsabet-Nandi Water Services Company Limited	124,959,008	118,349,821	(6,609,187)	95
48.	Lodwar Water and Sewerage Company Limited	108,000,000	106,857,705	(1,142,295)	99
49.	Gatamathi Water and Sanitation Company Limited	99,510,000	75,990,275	(23,519,725)	76
50.	Nithi Water and Sanitation Company Limited	99,340,964	94,387,293	(4,953,671)	95
51.	Kibwezi Water and Sanitation Company Limited	98,152,933	86,480,292	(11,672,641)	88
52.	Kirandich Water Company	88,449,814	81,664,035	(6,785,779)	92
53.	Lamu Water and Sewerage Company Limited	86,962,000	67,022,793	(19,939,207)	77
54.	Tana River Water and Sanitation Company Limited	86,000,000	57,567,192	(28,432,808)	67
55.	Nol-Turesh Loitokitok Water and Sanitation Company Limited	84,802,000	64,205,390	(20,596,610)	76
56.	Tetu Aberdare Water and Sanitation Company Limited	83,523,500	71,670,064	(11,853,436)	86
57.	Samburu Water and Sanitation Company Limited	81,000,000	47,558,322	(33,441,678)	59
58.	Marsabit Water and Sewerage Company (MARWASCO) Limited	76,020,000	63,459,135	(12,560,865)	83
59.	Elwak Water and Sewerage Company Limited	73,369,839	44,681,240	(28,688,599)	61
60.	Meru Rural Water and Sanitation Company Limited	67,536,158	59,076,849	(8,459,309)	87

S/No	Water Company	Budgeted Revenue (Kshs)	Total Revenue (Kshs)	Shortfall (Kshs)	Perfor-mance %
61.	Nyandarua Water and Sanitation Company Ltd	64,667,480	60,504,880	(4,162,600)	94
62.	Gatanga Community Water Scheme	63,235,676	61,719,361	(1,516,315)	98
63.	Olkalou Water and Sanitation Company Limited	60,676,235	52,844,255	(7,831,980)	87
64.	Eldama Ravine Water and Sewerage Company Limited	59,542,737	37,180,222	(22,362,515)	62
65.	Kakamega County Rural Water and Sanitation Company Limited.	52,760,000	39,244,720	(13,515,280)	74
66.	Wote Water and Sanitation Company Ltd	49,300,000	39,424,623	(9,875,377)	80
67.	Ngagaka Water and Sanitation Company Ltd	47,325,500	46,179,100	(1,146,400)	98
68.	Olkejuado Water and Sewerage Company	45,985,913	21,251,063	(24,734,850)	46
69.	Iten Tambach Water Company Limited	41,500,000	36,000,500	(5,499,500)	87
70.	Embe Water and Sanitation Company Ltd	40,111,000	30,439,570	(9,671,430)	76
71.	Yatta Water and Services Company Limited	29,973,202	28,821,323	(1,151,879)	96
72.	Kapenguria Water Company Limited	24,640,000	23,717,311	(922,689)	96
73.	Mwala Water and Sanitation Company Limited	23,894,220	5,781,598	(18,112,622)	24
74.	Kyeni Water and Sanitation Company Limited	22,045,645	15,536,460	(6,509,185)	70
75.	Matungulu - Kangundo Water and Sewerage Company Limited	20,839,058	14,503,104	(6,335,954)	70
76.	Naromoru Water and Sanitation Company Limited	18,946,139	17,368,926	(1,577,213)	92
77.	Rukanga Water and Sanitation Company Limited	16,451,145	13,860,057	(2,591,088)	84
78.	Cherang'any Marakwet Water and Sanitation Company Limited	8,000,000	7,703,500	(296,500)	96
79.	Mbooni Water and Sanitation Company Limited (MBONWASCO)	5,022,676	4,222,240	(800,436)	84

Appendix 5: Non-Revenue Water

S/No	Water Company	Water Produced (Cubic Meters)	Water Billed (Cubic Meters)	Non-Revenue Water (Cubic Meters)	Non-Revenue Water (Kshs.)
1.	Embe Water and Sanitation Company Limited	955,033	434,997	520,036	29,825,460
2.	Gatanga Community Water Scheme	2,025,632	1,165,251	860,381	44,768,978
3.	Kakamega County Rural Water and Sanitation Company Limited.	419,858	277,012	142,846	9,666,001
4.	Kiambu Water and Sewerage Co	3,429,884	2,341,594	1,088,290	117,997,341
5.	Kirandich Water Company	1,402,410	578,644	823,766	25,864,570
6.	Kwale Water and Sewerage Co.	4,099,482	2,104,536	1,994,946	187,568,780
7.	Lodwar Water and Sewerage Co.	2,502,000	1,105,359	1,396,641	89,549,008
8.	Mathira Water and Sanitation Company	2,069,524	1,316,994	752,530	83,453,156
9.	Meru Rural Water and Sanitation Company Limited	1,460,876	895,622	565,254	29,071,177

S/No	Water Company	Water Produced (Cubic Meters)	Water Billed (Cubic Meters)	Non-Revenue Water (Cubic Meters)	Non-Revenue Water (Kshs.)
10.	Mombasa Water and Sewerage Co.	12,234,118	5,283,901	6,950,217	1,042,532,550
11.	Mwala Water and Sanitation Co.	35,150	25,574	9,576	1,984,573
12.	Nakuru Water and Sanitation Services Co.	12,114,346	8,955,741	3,158,605	263,092,593
13.	Ngagaka Water and Sanitation Company Limited	1,212,966	786,873	426,093	20,205,098
14.	Nyahururu Water and Sanitation Company Limited	3,241,297	2,007,969	1,233,328	105,457,982
15.	Nzoia Water Service Co.	9,191,461	4,650,860	4,540,601	316,644,841
16.	Oloolaiser Water and Sewerage Company Limited	2,093,707	1,071,870	1,021,837	113,339,947
17.	Samburu Water and Sanitation Company Limited	420,485	209,299	211,186	22,709,732
18.	SIBO Water Company	2,509,311	1,138,969	1,370,342	102,775,650
19.	Thika Water and Sewerage Company Limited	15,051,312	9,604,373	5,446,939	272,346,950
20.	Gulf Water Services Company Limited	948,128	177,715	770,413	154,082,600
21.	Iten Tambach Water Company Limited	726,197	497,732	228,465	3,164,864
22.	Kapsabet-Nandi Water Services Company Limited	1,202,689	737,776	464,913	50,389,661
23.	Kiambere Mwingi Water and Sanitation Company Limited	579,220	365,831	213,389	19,115,386
24.	Kilifi Mariakani Water and Sewerage Company Limited	9,719,951	4,951,015	4,768,936	481,662,536
25.	Kitui Water and Sanitation Company Limited	2,650,931	1,419,782	1,231,149	104,558,684
26.	Limuru Water and Sewerage Co	1,938,762	1,306,835	631,927	72,671,605
27.	Marsabit Water and Sewerage Company (MARWASCO)	156,989	78,017	78,972	23,319,916
28.	Mbooni Water and Sanitation Company Limited MBONWASCO	56,036	30,873	25,163	2,129,853

S/No	Water Company	Water Produced (Cubic Meters)	Water Billed (Cubic Meters)	Non-Revenue Water (Cubic Meters)	Non-Revenue Water (Kshs.)
29.	Murang'a West Water and Sanitation Company Limited	2,547,458	1,373,087	1,174,371	79,680,380
30.	Nakuru Rural Water and Sanitation Company Limited	7,482,850	4,234,030	3,248,820	280,164,279
31.	Naromoru Water and Sanitation Company Limited	335,192	240,373	94,819	5,524,182
32.	Nol-Turesh Loitokitok Water and Sanitation Company Limited	2,088,763	663,164	1,425,599	99,653,941
33.	Nyandarua Water and Sanitation Company Limited	792,675	461,936	330,739	36,420,934
34.	Othaya Mukurweini Water and Sanitation Company Limited	6,461,280	4,106,078	2,355,202	6,461,280
35.	Tetu Aberdare Water and Sanitation Company Limited	1,644,009	1,063,164	580,845	58,084,400
36.	Yatta Water and Services Company Limited	253,660	184,047	69,613	-
37.	Bomet water and sanitation Company Limited	1,936,052	887,546	1,048,506	68,152,890
38.	Gatamathi Water and Sanitation Company Limited	3,253,000	1,342,902	1,910,098	45,868,935
39.	Githunguri Water and Sanitation Company Limited	1,426,590	523,665	902,925	74,175,289
40.	Isiolo Water and Sewerage Company Limited	1,704,726	1,202,163	502,563	33,408,955
41.	Kibwezi Water and Sanitation Company Limited	2,229,715	939,765	1,289,950	-
42.	Lamu Water and Sewerage Company Limited	487,891	228,687	259,204	22,335,216
43.	Mandera Water and Sewerage Company Limited	492,838	299,676	193,162	-
44.	Mavoko Water Company Limited	1,393,805	896,277	497,528	14,912,340
45.	Migori County Water and Sanitation Company Limited	773,882	339,507	434,375	26,001,687

S/No	Water Company	Water Produced (Cubic Meters)	Water Billed (Cubic Meters)	Non-Revenue Water (Cubic Meters)	Non-Revenue Water (Kshs.)
46.	Muranga Water and Sanitation Company Limited	330,683	211,637	119,046	116,888,387
47.	Naivasha Water and Sanitation Company Ltd	2,207,253	1,656,737	550,516	33,030,960
48.	Narok Water and Sanitation Company Limited	1,217,351	817,020	400,331	53,304,074
49.	Nithi Water and Sanitation CompanyLimited	3,298,156	1,440,624	1,857,532	29,071,177
50.	Tavevo Water and Sewerage Company Limited	6,155,771	3,084,302	3,071,469	386,226,670
51.	Wote Water and Sanitation Company Limited	341,631	228,879	112,752	13,532,292
52.	Eldama Ravine Water and Sewerage Company Limited	1,860,960	631,564	1,229,396	63,362,428
53.	Embu Water and Sanitation Company Limited	7,012,359	4,585,761	2,426,598	165,442,609
54.	Gatundu Water and Sanitation Company Limited	3,906,486	2,620,075	1,286,411	56,640,602
55.	Homa Bay Water Services Company	999,530	570,904	428,626	14,632,370
56.	Kericho Water and Sanitation Company Limited	4,799,035	2,029,009	2,770,026	199,411,872
57.	Kikuyu Water Co.	2,784,372	1,706,643	1,077,729	94,755,027
58.	Kirinyaga Water and Sanitation Company	5,302,481	2,545,191	2,757,290	94,058,650
59.	Malindi Water and Sewerage Co.	6,185,029	5,095,342	1,089,687	141,086,859
60.	Matungulu - Kangundo Water and Sewerage Company Limited	135,678	93,224	42,454	6,079,311
61.	Meru Water and Sewerage Company Limited	3,390,189	2,725,432	664,757	40,381,732
62.	Murang'a South Water and Sanitation Company Limited	4,649,498	2,775,351	1,874,147	180,918,974
63.	Nairobi City Water and Sewerage Company Limited	185,822,138	90,372,783	95,449,355	8,570,397,585

S/No	Water Company	Water Produced (Cubic Meters)	Water Billed (Cubic Meters)	Non-Revenue Water (Cubic Meters)	Non-Revenue Water (Kshs.)
64.	Nanyuki Water and Sanitation Company Limited	4,052,811	2,916,780	1,136,031	89,746,449
65.	Ngandori Water and Sanitation Company Plc	2,340,094	1,613,477	726,617	41,520,622
66.	Olkalou Water and Sanitation Company Limited	587,215	387,552	199,663	19,966,300
67.	Ruiru Juja Water and Sewerage Company Limited	18,088,609	9,469,450	8,619,159	741,247,680
68.	Tana River Water and Sanitation Company Limited	1,038,065	362,512	675,553	23,644,355
69.	Wajir Water and Sewerage Company Limited	246,260	90,614	155,646	19,455,750
70.	Amatsi Water Services Company Ltd	1,977,435	1,332,958	644,477	29,527,364
71.	Eldoret Water and Sewerage Company Limited	15,360,549	8,975,584	6,384,965	415,022,720
72.	Garissa Water and Sewerage Company Limited	4,696,988	2,143,323	2,553,665	165,684,925
73.	Gusii Water and Sanitation Company Limited	3,785,933	1,545,478	2,240,455	216,416,176
74.	Kakamega County Water and Sanitation Company Limited.	4,737,376	2,993,553	1,743,823	157,358,913
75.	Karuri Water and Sanitation Company Limited	1,409,067	950,620	458,447	48,088,593
76.	Kisumu Water and Sewerage Company Limited	11,918,711	7,504,621	4,414,090	617,972,600
	Total	**440,389,854**	**235,984,081**	**204,405,773**	**15,994,840,319**

Appendix 6: Recurrent Expenditure Budget Vs Actual

S/No	Water Company	Recurrent Budget (Kshs)	Recurrent Actual (Kshs)	Over (Kshs)	Under (Kshs)
1.	Cherang'any Marakwet Water and Sanitation Company Limited	7,050,453	7,703,500	653,047	-
2.	Embe Water and Sanitation Company Limited	39,196,000	38,566,005	-	629,995
3.	Gatanga Community Water Scheme	73,065,947	68,458,833	-	4,607,114
4.	Kakamega County Rural Water and Sanitation Company Limited	54,223,780	35,549,909	-	18,673,871
5.	Kiambu Water and Sewerage Company Limited	325,570,552	302,082,390	-	23,488,162
6.	Kirandich Water Company Limited	93,870,814	100,992,123	7,121,309	-
7.	Kwale Water and Sewerage Company Limited	369,650,456	366,596,993	-	3,053,463
8.	Lodwar Water and Sewerage Company Limited	108,000,000	126,171,331	18,171,331	-
9.	Mathira Water and Sanitation Company Limited	172,516,948	159,639,103	-	12,877,845
10.	Meru Rural Water and Sanitation Company Limited	60,902,637	60,816,256	-	86,381
11.	Mombasa Water and Sewerage Company Limited	1,153,185,304	1,060,666,804	-	92,518,500
12.	Mwala Water and Sanitation Company Limited	23,134,220	11,075,160	-	12,059,060
13.	Nakuru Water and Sanitation Services Company Limited	1,136,264,656	1,208,772,577	72,507,921	-
14.	Ngagaka Water and Sanitation Company Limited	39,695,000	41,941,810	2,246,810	-
15.	Nyahururu Water and Sanitation Company Ltd	335,453,113	306,439,468	-	29,013,645
16.	Nzoia Water Service Company Ltd	510,700,700	404,239,670	-	106,461,030
17.	Oloolaiser Water and Sewerage Company Limited	200,688,448	177,521,937	-	23,166,511
18.	Samburu Water and Sanitation Company Limited	57,389,000	51,363,928	-	6,025,072

S/No	Water Company	Recurrent Budget (Kshs)	Recurrent Actual (Kshs)	Over (Kshs)	Under (Kshs)
19.	SIBO Water Company Limited	255,949,276	186,006,776	-	69,942,500
20.	Thika Water and Sewerage Company Ltd	953,144,000	948,135,191	-	5,008,809
21.	Busia Water and Sewerage Services Company Limited	185,100,468	59,050,760	-	126,049,708
22.	Elwak Water and Sewerage Company Limited	27,497,637	44,534,648	17,037,011	-
23.	Gulf Water Services Company Limited	51,693,883	39,767,314	-	11,926,569
24.	Iten Tambach Water Company Limited	21,261,579	33,364,881	12,103,302	-
25.	Kapsabet-Nandi Water Services Company Limited	121,404,560	96,621,511	-	24,783,049
26.	Kiambere Mwingi Water and Sanitation Company Limited	185,437,841	133,941,525	-	51,496,316
27.	Kilifi Mariakani Water and Sewerage Company Limited	738,429,598	875,017,441	136,587,843	-
28.	Kitui Water and Sanitation Company Limited	333,466,406	309,686,692	-	23,779,714
29.	Limuru Water and Sewerage Company Limited	194,319,806	198,311,693	3,991,887	-
30.	Marsabit Water and Sewerage Company (MARWASCO) Limited	69,020,000	50,916,543	-	18,103,457
31.	Mbooni Water and Sanitation Company Limited MBONWASCO	5,022,676	4,942,874	-	79,802
32.	Municipal Council of Machakos Water and Sewerage Company Limited	81,328,144	122,701,176	41,373,032	-
33.	Murang'a West Water and Sanitation Company Limited	66,788,174	103,295,590	36,507,416	-
34.	Nakuru Rural Water and Sanitation Company Limited	181,502,273	142,092,778	-	39,409,495
35.	Naromoru Water and Sanitation Company Limited	14,336,299	15,518,972	1,182,673	-
36.	Nol-Turesh Loitokitok Water and Sanitation Company Limited	84,802,000	77,655,168	-	7,146,832

S/No	Water Company	Recurrent Budget (Kshs)	Recurrent Actual (Kshs)	Over (Kshs)	Under (Kshs)
37.	Nyandarua Water and Sanitation Company Limited	60,467,480	59,473,023	-	994,457
38.	Othaya Mukurweini Water and Sanitation Company Limited	228,588,500	227,758,405	-	830,095
39.	Tetu Aberdare Water and Sanitation Company Limited	58,014,226	59,252,308	1,238,082	-
40.	Yatta Water and Services Company Limited	29,973,202	28,139,013	-	1,834,189
41.	Bomet Water and Sanitation Company Limited	235,855,533	207,680,750	-	28,174,783
42.	Gatamathi Water and Sanitation Company Limited	88,317,740	80,572,842	-	7,744,898
43.	Githunguri Water and Sanitation Company Limited	83,395,600	83,078,083	-	317,517
44.	Isiolo Water and Sewerage Company Limited	111,390,040	111,359,025	-	31,015
45.	Kapenguria Water Company Limited	17,000,000	17,000,000	-	-
46.	Kathiani Water and Sanitation Company Limited	19,227,000	17,430,835	-	1,796,165
47.	Kibwezi Water and Sanitation Company Limited	121,687,190	106,230,333	-	15,456,857
48.	Lamu Water and Sewerage Company Limited	86,388,263	48,957,649	-	37,430,614
49.	Mandera Water and Sewerage Company Limited	147,778,000	51,400,914	-	96,377,086
50.	Mavoko Water Company Limited	338,655,874	256,775,522	-	81,880,352
51.	Migori County Water and Sanitation Company Limited	115,203,023	54,791,473	-	60,411,550
52.	Muranga Water and Sanitation Company Limited	88,003,783	260,073,004	172,069,221	-
53.	Naivasha Water and Sanitation Company Ltd	370,336,072	237,577,645	-	132,758,427
54.	Narok Water and Sanitation Company Limited	181,502,273	142,092,778	-	39,409,495

S/No	Water Company	Recurrent Budget (Kshs)	Recurrent Actual (Kshs)	Over (Kshs)	Under (Kshs)
55.	Nithi Water and Sanitation Company Limited	93,130,865	87,623,892	-	5,506,973
56.	Nyeri Water and Sanitation Company Limited	754,693,319	690,304,956	-	64,388,363
57.	Olkejuado Water and Sewerage Company Limited	44,842,613	42,985,850	-	1,856,763
58.	Rukanga Water and Sanitation Co.	15,798,910	13,233,706	-	2,565,204
59.	Tavevo Water and Sewerage Company Limited	1,054,955,477	713,711,213	-	341,244,264
60.	Wote Water and Sanitation Company Limited	49,300,000	46,900,466	-	2,399,534
61.	Eldama Ravine Water and Sewerage Company Limited	59,542,737	34,066,657	-	25,476,080
62.	Embu Water and Sanitation Company Limited	480,923,301	481,445,212	521,911	-
63.	Gatundu Water and Sanitation Company Limited	257,265,960	179,095,517	-	78,170,443
64.	Homa Bay Water Services Company Limited	142,404,638	112,782,902	-	29,621,736
65.	Kericho Water and Sanitation Company Limited	272,528,395	233,179,798	-	39,348,597
66.	Kikuyu Water Company Limited	235,271,899	213,906,467	-	21,365,432
67.	Kirinyaga Water and Sanitation Company Limited	224,717,329	224,643,917	-	73,412
68.	Kyeni Water and Sanitation Company Ltd	22,045,645	18,044,439	-	4,001,206
69.	Malindi Water and Sewerage Company Limited	697,007,517	744,432,834	47,425,317	-
70.	Matungulu - Kangundo Water and Sewerage Company Limited	22,793,442	15,765,737	-	7,027,705
71.	Meru Water and Sewerage Company Limited	265,390,242	266,153,405	763,163	-
72.	Murang'a South Water and Sanitation Company Limited	278,227,543	276,357,138	-	1,870,405

S/No	Water Company	Recurrent Budget (Kshs)	Recurrent Actual (Kshs)	Over (Kshs)	Under (Kshs)
73.	Nairobi City Water and Sewerage Company Limited	13,317,785,379	11,817,523,167	-	1,500,262,212
74.	Nanyuki Water and Sanitation Company Limited	366,825,076	365,570,583	-	1,254,493
75.	Ngandori Water and Sanitation Company Plc	107,533,898	94,770,987	-	12,762,911
76.	Nyanas Water and Sanitation Company Limited	57,673,606	47,170,849	-	10,502,757
77.	Olkalou Water and Sanitation Company Limited	53,789,998	54,964,819	1,174,821	-
78.	Ruiru Juja Water and Sewerage Company Limited	1,276,659,902	1,221,873,752	-	54,786,150
79.	Tana River Water and Sanitation Company Limited	73,626,435	75,941,045	2,314,610	-
80.	Wajir Water and Sewerage Company Limited	304,858,417	259,710,831	-	45,147,586
81.	Amatsi Water Services Company Limited	211,214,250	101,301,597	-	109,912,653
82.	Eldoret Water and Sewerage Company Limited	1,065,011,720	1,140,028,265	75,016,545	-
83.	Garissa Water and Sewerage Company Limited	426,666,196	324,749,824	-	101,916,372
84.	Gusii Water and Sanitation Company Limited	354,525,770	323,169,465	-	31,356,305
85.	Kakamega County Water and Sanitation Company Limited	369,492,367	369,232,545	-	259,822
86.	Karuri Water and Sanitation Company Limited	154,286,333	127,143,467	-	27,142,866
87.	Kisumu Water and Sewerage Company Limited	1,178,509,491	1,132,216,469	-	46,293,022
	Total	**35,002,145,117**	**31,869,804,703**	**650,007,252**	**3,782,347,666**

Appendix 7: Development Expenditure Budget Vs Actual

S/No	Water Company	Budgeted Amounts (Kshs)	Actual Amounts (Kshs)	Over (Kshs)	Under (Kshs)
1.	Tavevo Water and Sewerage Company Limited	722,280,086	348,233,450	-	374,046,636
2.	Malindi Water and Sewerage Co.	712,320,653	473,407,387	-	238,913,266
3.	Kwale Water and Sewerage Company Limited	596,344,016	512,371,596	-	83,972,420
4.	Wajir Water and Sewerage Company Limited	515,234,713	437,708,224	-	77,526,489
5.	Ruiru Juja Water and Sewerage Company Limited	462,000,000	214,450,600	-	247,549,400
6.	Mandera Water and Sewerage Company Ltd	442,975,557	299,876,490	-	143,099,067
7.	Garissa Water and Sewerage Company Limited	287,258,108	287,258,108	-	-
8.	Mombasa Water and Sewerage Company Limited	249,990,401	183,399,205	-	66,591,196
9.	Nyeri Water and Sanitation company Limited	216,471,400	49,711,613	-	166,759,787
10.	Muranga Water and Sanitation Company Limited	208,067,192	21,242,840	-	186,824,352
11.	Kapenguria Water Company Limited	201,838,387	201,838,387	-	-
12.	Naivasha Water and Sanitation Company Limited	170,813,763	11,456,221	-	159,357,542
13.	Gusii Water and Sanitation Company Limited	151,899,752	3,135,442	-	148,764,310

S/No	Water Company	Budgeted Amounts (Kshs)	Actual Amounts (Kshs)	Over (Kshs)	Under (Kshs)
14.	Thika Water and Sewerage Company Limited	149,547,000	101,387,555	-	48,159,445
15.	Eldoret Water and Sewerage Company Limited	144,412,002	70,714,008	-	73,697,994
16.	Kilifi Mariakani Water and Sewerage Company Limited	131,159,718	45,393,233	-	85,766,485
17.	Municipal Council of Machakos Water and Sewerage Company Limited	104,620,000	-	-	104,620,000
18.	Kisumu Water and Sewerage Company Limited	99,830,441	89,238,011	-	10,592,430
19.	Olkejuado Water and Sewerage Company Limited	91,687,511	34,907,633	-	56,779,878
20.	SIBO Water Company Limited	88,428,000	6,544,191	-	81,883,809
21.	Kirandich Water Company Limited	80,000,000	77,032,821	-	2,967,179
22.	Homa Bay Water Services Company Liited	70,500,000	4,288,990	-	66,211,010
23.	Nanyuki Water and Sanitation Company Limited	55,280,413	55,260,413	-	20,000
24.	Nakuru Water and Sanitation Services Company Limited	48,206,638	31,052,835	-	17,153,803
25.	Embu Water and Sanitation Company Limited	47,332,328	45,820,429	-	1,511,899
26.	Migori County Water and Sanitation Company Limited	45,704,302	35,362,302	-	10,342,000
27.	Nyahururu Water and Sanitation Company Limited	44,478,000	35,410,997	-	9,067,003
28.	Busia Water and Sewerage Services Company Limited	36,728,900	1,339,780	-	35,389,120
29.	Murang'a South Water and Sanitation Company Limited	34,250,121	36,117,516	1,867,395	-
30.	Kirinyaga Water and Sanitation Company Limited	30,050,800	13,810,179	-	16,240,621
31.	Elwak Water and Sewerage Company Limited	29,883,603	28,705,000	-	1,178,603

S/No	Water Company	Budgeted Amounts (Kshs)	Actual Amounts (Kshs)	Over (Kshs)	Under (Kshs)
32.	Gatamathi Water and Sanitation Company Limited	29,500,000	10,505,977	-	18,994,023
33.	Ngandori Water and Sanitation Company Plc	28,959,729	3,825,330	-	25,134,399
34.	Nzoia Water Service Co.	27,000,000	-	-	27,000,000
35.	Kericho Water and Sanitation Company Limited	26,883,909	14,750,860	-	12,133,049
36.	Murang'a West Water and Sanitation Company Limited	23,402,254	3,770,220	-	19,632,034
37.	Bomet water and sanitation Co.	22,634,886	-	-	22,634,886
38.	Iten Tambach Water Company Limited	19,253,325	6,161,064	-	13,092,261
39.	Kathiani Water and Sanitation Company Limited	19,227,000	18,366,490	-	860,510
40.	Kikuyu Water Company Limited	17,450,792	17,587,201	136,409	-
41.	Gatundu Water and Sanitation Company Limited	16,800,000	821,050	-	15,978,950
42.	Mavoko Water Company Limited	15,600,000	447,412	-	15,152,588
43.	Kakamega County Rural Water and Sanitation Company Limited	14,900,000	8,367,174	-	6,532,826
44.	Nakuru Rural Water and Sanitation Company Limited	14,241,000	810,260	-	13,430,740
45.	Narok Water and Sanitation Company	14,241,000	810,260	-	13,430,740
46.	Tetu Aberdare Water and Sanitation Company Limited	12,754,637	11,300,075	-	1,454,562
47.	Amatsi Water Services Company Limited	12,621,581	-	-	12,621,581
48.	Limuru Water and Sewerage Company Limited	12,365,063	5,867,359	-	6,497,704
49.	Gulf Water Services Company Limited	10,851,340	-	-	10,851,340
50.	Nyanas Water and Sanitation Company Limited	7,923,500	-	-	7,923,500
51.	Ngagaka Water and Sanitation Company Limited	7,630,500	3,428,500	-	4,202,000

S/No	Water Company	Budgeted Amounts (Kshs)	Actual Amounts (Kshs)	Over (Kshs)	Under (Kshs)
52.	Meru Rural Water and Sanitation Company Limited	6,633,521	6,637,189	3,668	-
53.	Nithi Water and Sanitation Company Limited	6,210,099	5,731,223	-	478,876
54.	Kiambere Mwingi Water and Sanitation Company Limited	4,750,000	931,160	-	3,818,840
55.	Othaya Mukurweini Water and Sanitation Company Limited	4,554,260	7,049,045	2,494,785	-
56.	Mathira Water and Sanitation Company Limited	3,990,000	5,574,450	1,584,450	-
57.	Oloolaiser Water and Sewerage Company Limited	3,500,000	370,000	-	3,130,000
58.	Marsabit Water and Sewerage Company (MARWASCO)	3,500,000	3,297,048	-	202,952
59.	Gatanga Community Water Scheme	3,424,000	3,212,303	-	211,697
60.	Kiambu Water and Sewerage Company Limited	3,386,670	2,742,670	-	644,000
61.	Kitui Water and Sanitation Company Ltd	3,190,620	2,990,620	-	200,000
62.	Tana River Water and Sanitation Company Limited	2,756,960	4,333,895	1,576,935	-
63.	Naromoru Water and Sanitation Company Limited	2,304,920	401,380	-	1,903,540
64.	Nyandarua Water and Sanitation Company Limited	2,100,000	1,875,789	-	224,211
65.	Githunguri Water and Sanitation Company Limited	1,757,620	1,757,620	-	-
66.	Karuri Water and Sanitation Company Limited	1,450,000	3,204,053	1,754,053	-
67.	Embe Water and Sanitation Company Limited	915,000	14,500	-	900,500
68.	Mwala Water and Sanitation Company Limited	760,000	125,500	-	634,500
69.	Rukanga Water and Sanitation Company Limited	552,235	-	-	552,235

S/No	Water Company	Budgeted Amounts (Kshs)	Actual Amounts (Kshs)	Over (Kshs)	Under (Kshs)
70.	Cherang'any Marakwet Water and Sanitation Company Limited	-	-	-	-
71.	Lodwar Water and Sewerage Company Limited	-	-	-	-
72.	Samburu Water and Sanitation Company Limited	-	-	-	-
73.	Kapsabet-Nandi Water Services Company Limited	-	4,244,840	4,244,840	-
74.	Mbooni Water and Sanitation Company Limited (MBONWASCO)	-	-	-	-
75.	Nol-Turesh Loitokitok Water and Sanitation Company Limited	-	-	-	-
76.	Yatta Water and Services Company Limited	-	-	-	-
77.	Isiolo Water and Sewerage Company Ltd	-	-	-	-
78.	Kibwezi Water and Sanitation Company Limited	-	-	-	-
79.	Lamu Water and Sewerage Company Limited	-	4,645,000	4,645,000	-
80.	Wote Water and Sanitation Company Limited	-	-	-	-
81.	Eldama Ravine Water and Sewerage Company Limited	-	-	-	-
82.	Kyeni Water and Sanitation Company Limited	-	-	-	-
83.	Matungulu - Kangundo Water and Sewerage Company Limited	-	-	-	-
84.	Meru Water and Sewerage Company Limited	-	-	-	-
85.	Nairobi City Water and Sewerage Company Limited	-	-	-	-
86.	Olkalou Water and Sanitation Company Limited	-	-	-	-
87.	Kakamega County Water and Sanitation Company Limited	-	-	-	-
	Total	**6,679,570,226**	**3,922,432,973**	**18,307,535**	**2,775,444,788**

Appendix 8: Wage Bill as a Percentage of Operations and Maintenance Costs

Water Company	Ops and Maint Costs (Kshs)	Wage Bill (Kshs)	Class	% of Costs	Excess (Kshs)
Nairobi City Water and Sewerage Company Limited	11,817,802,769	7,100,920,698	Very Large	60.09	3,555,579,867
Kisumu Water and Sewerage Company	1,132,216,468	376,299,900	Very Large	33.24	36,634,960
Eldoret Water and Sewerage Company Limited	1,094,484,262	459,376,627	Very Large	41.97	131,031,348
Mombasa Water and Sewerage Company Limited	1,060,666,804	436,399,273	Very Large	41.14	118,199,232
Thika Water and Sewerage Co	916,073,562	325,527,784	Very Large	35.54	50,705,715
Malindi Water and Sewerage Company Limited	744,432,834	271,178,679	Very Large	36.43	47,848,829
Nyeri Water and Sanitation company Limited	690,307,956	295,966,375	Very Large	42.87	88,873,988
Embu Water and Sanitation Company Limited	481,445,212	215,263,660	Very Large	44.71	70,830,096
Nzoia Water Service Company Limited	442,307,834	147,916,025	Very Large	33.44	15,223,675
Kakamega County Water and Sanitation Company Limited	369,232,545	180,805,155	Very Large	48.97	70,035,392
Nanyuki Water and Sanitation Company Limited	365,570,583	154,782,199	Large	42.34	26,832,495
Muranga Water and Sanitation Company Limited	312,218,125	157,846,720	Large	50.56	48,570,376
Kiambu Water and Sewerage Co	299,085,300	111,443,567	Large	37.26	6,763,712
Nyahururu Water and Sanitation Company Limited	294,869,484	145,246,749	Large	49.26	42,042,430
Murang'a South Water and Sanitation Company Limited	285,370,942	125,445,624	Very Large	43.96	39,834,341
Meru Water and Sewerage Company Limited	266,153,405	105,473,389	Large	39.63	12,319,697

Water Company	Ops and Maint Costs (Kshs)	Wage Bill (Kshs)	Class	% of Costs	Excess (Kshs)
Mavoko Water Company Limited	257,222,934	92,609,528	Large	36.00	2,581,501
Naivasha Water and Sanitation Company Limited	237,577,645	88,467,043	Large	37.24	5,314,867
Kericho Water and Sanitation Company Limited	233,179,798	156,076,462	Very Large	66.93	86,122,523
Kirinyaga Water and Sanitation Company Limited	224,643,917	128,080,627	Very Large	57.01	60,687,452
Bomet water and sanitation Company Limited	207,680,750	91,834,461	Large	44.22	19,146,199
Limuru Water and Sewerage Company Limited	192,939,386	76,389,986	Large	39.59	8,861,201
SIBO Water Company	186,006,775	66,659,686	Large	35.84	1,557,315
Gatundu Water and Sanitation Company Limited	184,309,290	95,761,670	Very Large	51.96	40,468,883
Oloolaiser Water and Sewerage Company Limited	177,521,937	96,989,783	Large	54.64	34,857,105
Mathira Water and Sanitation Company Limited	162,995,338	61,662,741	Large	37.83	4,614,373
Municipal Council of Machakos Water and Sewerage Company Limited	122,701,176	63,126,635	Large	51.45	20,181,223
Amatsi Water Services Company Limited	121,313,865	44,777,008	Large	36.91	2,317,155
Murang'a West Water and Sanitation Company Limited	107,065,809	44,946,481	Large	41.98	7,473,448
Kibwezi Water and Sanitation Company Limited	106,131,815	58,797,319	Large	55.40	21,651,184
Ngandori Water and Sanitation Company Plc	104,289,820	48,018,198	Large	46.04	11,516,761
Nithi Water and Sanitation Company Limited	101,589,540	38,454,709	Large	37.85	2,898,370
Nol-Turesh Loitokitok Water and Sanitation Company Limited	82,448,379	36,438,573	Medium	44.20	3,459,221
Tetu Aberdare Water and Sanitation Company Limited	71,429,329	36,558,461	Large	51.18	11,558,196
Gatanga Community Water Scheme	70,627,545	39,408,743	Large	55.80	14,689,102

Water Company	Ops and Maint Costs (Kshs)	Wage Bill (Kshs)	Class	% of Costs	Excess (Kshs)
Gatamathi Water and Sanitation Company Limited	66,624,250	47,353,763	Large	71.08	24,035,276
Meru Rural Water and Sanitation Company Limited	65,080,718	25,330,763	Large	38.92	2,552,512
Nyandarua Water and Sanitation Company Limited	63,990,138	26,236,449	Medium	41.00	640,394
Busia Water and Sewerage Services Company Limited	60,390,540	38,940,945	Large	64.48	17,804,256
Samburu Water and Sanitation Company Limited	55,722,466	32,919,582	Medium	59.08	10,630,596
Ngagaka Water and Sanitation Company Limited	45,427,580	22,568,893	Large	49.68	6,669,240
Embe Water and Sanitation Company Limited	43,377,996	19,900,330	Medium	45.88	2,549,132
Kyeni Water and Sanitation Company Limited	18,044,439	10,571,935	Large	58.59	4,256,381
Kapenguria Water Company Limited	16,766,888	8,519,405	Small	50.81	135,961
Mwala Water and Sanitation Company Limited	11,075,160	6,011,065	Small	54.28	473,485
Cherang'any Marakwet Water and Sanitation Company Limited	7,096,203	4,010,028	Small	56.51	461,927
Mbooni Water and Sanitation Company Limited (MBONWASCO)	4,942,874	3,249,328	Small	65.74	777,891
Total	**23,982,452,385**	**12,220,563,024**			**4,792,269,281**

Appendix 9: Total Trade and Other Receivables

S/No	Water Company	Amount (Kshs)
1.	Nairobi City Water and Sewerage Company	3,577,606,733
2.	Garissa Water and Sewerage Company Ltd	991,279,622
3.	Nakuru Water and Sanitation Services Company Limited	914,790,606
4.	Thika Water and Sewerage Company Limited	539,060,176
5.	Eldoret Water and Sewerage Company Limited	509,248,381
6.	Malindi Water and Sewerage Company Limited	489,160,107
7.	Kilifi Mariakani Water and Sewerage Company Limited	469,681,122
8.	Nzoia Water Service Company Limited	446,748,178
9.	Mombasa Water and Sewerage Company Limited	433,140,949
10.	Ruiru Juja Water and Sewerage Company Limited	350,594,145

S/No	Water Company	Amount (Kshs)
11.	Tavevo Water and Sewerage Company Limited	341,364,633
12.	Embu Water and Sanitation Company Limited	294,763,100
13.	Kisumu Water and Sewerage Company Limited	294,107,253
14.	Kwale Water and Sewerage Company Limited	274,635,205
15.	Kericho Water and Sanitation Company Ltd	249,238,258
16.	Kakamega County Water and Sanitation Company Ltd.	247,315,566
17.	Bomet water and Sanitation Company Limited	237,152,765
18.	Kitui Water and Sanitation Company Limited	227,262,517
19.	Nakuru Rural Water and Sanitation Company Ltd	221,215,627
20.	Nyeri Water and Sanitation Company Limited	220,015,698
21.	Naivasha Water and Sanitation Company Limited	187,245,765
22.	Kiambu Water and Sewerage Company Limited	186,798,679
23.	Nanyuki Water and Sanitation Company Limited	181,036,075
24.	Kirinyaga Water and Sanitation Company Limited	164,700,788
25.	Gatundu Water and Sanitation Company Limited	156,807,156
26.	Busia Water and Sewerage Services Company Limited	150,768,307
27.	Municipal Council of Machakos Water and Sewerage Company Limited	149,266,474
28.	Muranga Water and Sanitation Company Limited	148,399,434
29.	Gusii Water and Sanitation Company Limited	142,411,867
30.	Mavoko Water Company Limited	123,633,547
31.	Oloolaiser Water and Sewerage Company Limited	121,591,036
32.	Amatsi Water Services Company Limited	117,626,744
33.	SIBO Water Company Limited	114,147,748
34.	Kikuyu Water Company Limited	95,294,741
35.	Nol-Turesh Loitokitok Water and Sanitation Company	94,824,896
36.	Homa Bay Water Services Company	89,444,008
37.	Narok Water and Sanitation Company	85,080,998
38.	Othaya Mukurweini Water and Sanitation Company Limited	82,856,387
39.	Nithi Water and Sanitation Company Limited	82,738,863
40.	Murang'a South Water and Sanitation Company Limited	79,445,847
41.	Mandera Water and Sewerage Company Limited	66,070,568
42.	Meru Water and Sewerage Company Limited	61,932,080
43.	Nyahururu Water and Sanitation Company Limited	60,995,751
44.	Gatanga Community Water Scheme	60,894,747
45.	Githunguri Water and Sanitation Company Limited	59,844,381

S/No	Water Company	Amount (Kshs)
46.	Migori County Water and Sanitation Company Limited	56,898,871
47.	Tana River Water and Sanitation Company Limited	55,066,814
48.	Murang'a West Water and Sanitation Company Limited	53,520,290
49.	Ngandori Water and Sanitation Company Plc	48,303,430
50.	Wajir Water and Sewerage Company Limited	48,268,829
51.	Mathira Water and Sanitation Company Limited	47,999,812
52.	Lodwar Water and Sewerage Company Limited	47,370,430
53.	Eldama Ravine Water and Sewerage Company Limited	44,195,795
54.	Kirandich Water Company Limited	43,195,562
55.	Gatamathi Water and Sanitation Company Limited	40,132,140
56.	Meru Rural Water and Sanitation Company Limited	38,869,256
57.	Karuri Water and Sanitation Company Limited	38,656,061
58.	Lamu Water and Sewerage Company Limited	37,139,335
59.	Olkejuado Water and Sewerage Company Limted	34,826,379
60.	Kiambere Mwingi Water and Sanitation Company Limited	34,078,472
61.	Iten Tambach Water Company Limited	31,740,723
62.	Embe Water and Sanitation Company Limited	31,619,608
63.	Yatta Water and Services Company Limited	31,588,009
64.	Nyandarua Water and Sanitation Company Limited	30,192,381
65.	Limuru Water and Sewerage Company Limited	30,079,629
66.	Gulf Water Services Company Limited	29,660,193
67.	Samburu Water and Sanitation Company Limited	28,364,344
68.	Tetu Aberdare Water and Sanitation Company Limited	25,727,877
69.	Kapsabet-Nandi Water Services Company Limited	25,008,529
70.	Kyeni Water and Sanitation Company Limited	23,958,262
71.	Kibwezi Water and Sanitation Company Limited	22,277,967
72.	Kapenguria Water Company Limited	19,309,959
73.	Ngagaka Water and Sanitation Company Limited	18,721,137
74.	Isiolo Water and Sewerage Company Limited	16,646,521
75.	Kakamega County Rural Water and Sanitation Company Limited.	13,181,279
76.	Nyanas Water and Sanitation Company Limited	11,989,903
77.	Olkalou Water and Sanitation Company Limited	9,162,652
78.	Wote Water and Sanitation Company Limited	8,939,813
79.	Matungulu - Kangundo Water and Sewerage Company Limited	8,511,333
80.	Kathiani Water and Sanitation Company Limited	6,358,125

S/No	Water Company	Amount (Kshs)
81.	Mwala Water and Sanitation Company Limited	5,028,891
82.	Mbooni Water and Sanitation Company Limited	4,118,889
83.	Marsabit Water and Sewerage Company Limited	3,762,917
84.	Naromoru Water and Sanitation Company Limited	3,458,870
85.	Rukanga Water and Sanitation Company Limited.	2,408,158
86.	Elwak Water and Sewerage Company Limited	2,308,000
87.	Cherang'any Marakwet Water and Sanitation Company Limited	2,150,915
	Total	**15,307,033,888**

Appendix 10: Long Outstanding Trade and Other Receivables

S/No	Water Company	Amount (Kshs.)
1.	Nairobi City Water and Sewerage Company Limited	1,976,000,000.00
2.	Garissa Water and Sewerage Company Limited	763,100,410.00
3.	Nakuru Water and Sanitation Services Company Limited.	668,162,100.00
4.	Thika Water and Sewerage Company Limited	485,105,137.00
5.	Kilifi Mariakani Water and Sewerage Company Limited.	423,211,552.00
6.	Malindi Water and Sewerage Company Limited.	339,123,777.00
7.	Tavevo Water and Sewerage Company Limited.	288,561,154.00
8.	Mombasa Water and Sewerage Company Limited.	272,868,419.00
9.	Embu Water and Sanitation Company Limited	249,756,568.00
10.	Kwale Water and Sewerage Company Limited	214,214,164.00
11.	Kericho Water and Sanitation Company Limited	201,964,030.00
12.	Kitui Water and Sanitation Company Limited	170,604,807.00
13.	Nakuru Rural Water and Sanitation Company Limited	161,044,993.00
14.	Gatundu Water and Sanitation Company Limited	145,731,767.00
15.	Kisumu Water and Sewerage Company Limited	137,575,618.00
16.	Naivasha Water and Sanitation Company Limited	136,746,676.00
17.	Muranga Water and Sanitation Company Limited	136,190,271.00
18.	Busia Water and Sewerage Services Company Limited	135,397,395.00
19.	Nanyuki Water and Sanitation Company Limited	131,798,138.47
20.	Kiambu Water and Sewerage Company Limited	120,376,193.00
21.	Kirinyaga Water and Sanitation Company Limited	109,391,590.00
22.	Amatsi Water Services Company Limited	107,375,447.00
23.	Oloolaiser Water and Sewerage Company Limited	103,205,735.00
24.	Mavoko Water Company Limited	89,694,935.00

S/No	Water Company	Amount (Kshs.)
25.	Nol-Turesh Loitokitok Water and Sanitation Company Limited	83,940,433.00
26.	Mandera Water and Sewerage Company Limited	66,070,568.00
27.	SIBO Water Company Limited	64,756,008.00
28.	Homa Bay Water Services Company Limited	63,877,645.00
29.	Narok Water and Sanitation Company Limited	61,605,582.00
30.	Murang'a South Water and Sanitation Company Limited	61,475,596.00
31.	Ruiru Juja Water and Sewerage Company Limited	53,099,634.00
32.	Municipal Council of Machakos Water and Sewerage Company Limited	49,818,799.00
33.	Wajir Water and Sewerage Company Limited	48,268,829
34.	Lodwar Water and Sewerage Company Limited	41,957,172.00
35.	Tana River Water and Sanitation Company Limited	41,693,231.00
36.	Murang'a West Water and Sanitation Company Limited	40,323,847.00
37.	Mathira Water and Sanitation Company Limited	39,780,515.00
38.	Gatanga Community Water Scheme	35,926,156.00
39.	Kirandich Water Company Limited	34,382,008.00
40.	Olkejuado Water and Sewerage Company Limited	32,970,564.00
41.	Nithi Water and Sanitation Company Limited	31,681,845.00
42.	Nyandarua Water and Sanitation Company Limited	29,106,946.00
43.	Meru Rural Water and Sanitation Company Limited	27,158,150.00
44.	Embe Water and Sanitation Company Limited	27,058,458.00
45.	Eldama Ravine Water and Sewerage Company Limited	26,517,477.00
46.	Iten Tambach Water Company Limited	26,029,027.00
47.	Meru Water and Sewerage Company Limited	25,912,313.00
48.	Kiambere Mwingi Water and Sanitation Company Limited	25,654,835.00
49.	Nyahururu Water and Sanitation Company Limited	24,606,259.00
50.	Githunguri Water and Sanitation Company Limited	24,066,602.00
51.	Tetu Aberdare Water and Sanitation Company Limited	22,632,684.00
52.	Kibwezi Water and Sanitation Company Limited	22,277,967.00
53.	Gatamathi Water and Sanitation Company Limited	19,945,006.00
54.	Kyeni Water and Sanitation Company Limited	18,402,682.00
55.	Ngandori Water and Sanitation Company Plc	18,343,477.00
56.	Yatta Water and Services Company Limited	16,625,270.00
57.	Isiolo Water and Sewerage Company Limited	15,813,641.00
58.	Kapenguria Water Company Limited	11,212,159.00
59.	Kakamega County Rural Water and Sanitation Company Limited.	10,005,232.00
60.	Limuru Water and Sewerage Company Limited	9,553,186.00
61.	Ngagaka Water and Sanitation Company Limited	8,409,079.00
62.	Olkalou Water and Sanitation Company Limited	7,157,217.00
63.	Kathiani Water and Sanitation Company Limited	4,105,961.00

S/No	Water Company	Amount (Kshs.)
64.	Matungulu - Kangundo Water and Sewerage Company	3,881,576.00
65.	Mwala Water and Sanitation Company Limited	3,321,058.00
66.	Kapsabet-Nandi Water Services Company Limited	2,776,133.00
67.	Wote Water and Sanitation Company Limited	2,629,205.00
68.	Nyeri Water and Sanitation Company Limited	1,785,204.00
69.	Rukanga Water and Sanitation Company Limited	1,565,590.00
70.	Marsabit Water and Sewerage Company Limited	1,273,799.00
71.	Mbooni Water and Sanitation Company Limited	1,235,667.00
72.	Naromoru Water and Sanitation Company Limited	508,355.00
	Total	**8,858,399,523**

Appendix 11: Total Trade and Other Payables

S/No	Water Company	Amount (Kshs)
1.	Nairobi City Water and Sewerage Company	5,344,030,050
2.	Mombasa Water and Sewerage Company Limited	2,209,904,790
3.	Malindi Water and Sewerage Company Limited	965,350,866
4.	Tavevo Water and Sewerage Company Limited	943,899,142
5.	Nakuru Water and Sanitation Services Company Limited	683,609,870
6.	Kakamega County Water and Sanitation Company Limited.	671,951,897
7.	Kwale Water and Sewerage Company Limited	618,610,442
8.	Kilifi Mariakani Water and Sewerage Company Limited	506,086,190
9.	Ruiru Juja Water and Sewerage Company Limited	460,356,571
10.	Nakuru Rural Water and Sanitation Company Limited	419,872,873

S/No	Water Company	Amount (Kshs)
11.	Oloolaiser Water and Sewerage Company Limited	335,430,098
12.	Eldoret Water and Sewerage Company Limited	328,180,238
13.	Nol-Turesh Loitokitok Water and Sanitation Company	318,323,693
14.	Garissa Water and Sewerage Company Limited	272,259,765
15.	Kiambu Water and Sewerage Co	270,393,267
16.	Kericho Water and Sanitation Company Limited	254,616,333
17.	Embu Water and Sanitation Company Limited	247,360,294
18.	Bomet water and Sanitation Company Limited	242,161,421
19.	Githunguri Water and Sanitation Company Limited	236,462,858
20.	Nzoia Water Service Company Limited	228,378,554
21.	Thika Water and Sewerage Company Limited	220,172,727
22.	Nyeri Water and Sanitation Company Limited	202,100,215
23.	Busia Water and Sewerage Services Company Limited	195,753,927
24.	Wajir Water and Sewerage Company Limited	192,250,789
25.	Municipal Council of Machakos Water and Sewerage Company Limited	182,713,571
26.	Kisumu Water and Sewerage Company Limited	173,488,352
27.	Muranga Water and Sanitation Company Limited	166,113,645
28.	Karuri Water and Sanitation Company Limited	162,132,111
29.	Kitui Water and Sanitation Company Limited	145,404,293
30.	Limuru Water and Sewerage Company Limited	145,210,230
31.	SIBO Water Company Limited	137,135,422
32.	Kikuyu Water Company Limited	136,571,736
33.	Murang'a South Water and Sanitation Company Limited	131,323,873
34.	Nanyuki Water and Sanitation Company Limited	128,311,749
35.	Homa Bay Water Services Company Limited	128,023,160
36.	Kirinyaga Water and Sanitation Company Limited	127,313,607
37.	Gatundu Water and Sanitation Company Limited	126,007,826
38.	Nyahururu Water and Sanitation Company Limited	124,351,959
39.	Mandera Water and Sewerage Company Limited	124,257,270
40.	Meru Water and Sewerage Company Limited	115,753,278
41.	Olkejuado Water and Sewerage Company Limited	113,400,130
42.	Mavoko Water Company Limited	104,377,944
43.	Kibwezi Water and Sanitation Company Limited	98,372,444
44.	Gusii Water and Sanitation Company Limited	96,836,713
45.	Lodwar Water and Sewerage Company Limited	94,082,619
46.	Eldama Ravine Water and Sewerage Company Limited	84,506,730
47.	Naivasha Water and Sanitation Company Limited	84,377,763
48.	Amatsi Water Services Company Limited	82,527,010
49.	Migori County Water and Sanitation Company Limited	81,379,432
50.	Gatamathi Water and Sanitation Company Limited	69,821,271
51.	Narok Water and Sanitation Company Limited	57,653,886

S/No	Water Company	Amount (Kshs)
52.	Kirandich Water Company Limited	55,288,497
53.	Mathira Water and Sanitation Company	51,229,603
54.	Meru Rural Water and Sanitation Company Limited	45,200,589
55.	Yatta Water and Services Company Limited	45,125,056
56.	Gatanga Community Water Scheme	43,929,981
57.	Lamu Water and Sewerage Company	42,839,890
58.	Nithi Water and Sanitation Company Limited	41,999,857
59.	Ngandori Water and Sanitation Company Plc	38,207,635
60.	Othaya Mukurweini Water and Sanitation Company Limited	35,700,340
61.	Kiambere Mwingi Water and Sanitation Company Limited	33,819,506
62.	Wote Water and Sanitation Company Limited	31,663,440
63.	Nyandarua Water and Sanitation Company Limited	30,182,456
64.	Iten Tambach Water Company Limited	24,769,584
65.	Samburu Water and Sanitation Company Limited	24,306,940
66.	Olkalou Water and Sanitation Company Limited	23,861,516
67.	Mwala Water and Sanitation Company Limited	23,170,503
68.	Kyeni Water and Sanitation Company Limited	22,368,922
69.	Murang'a West Water and Sanitation Company Limited	21,705,994
70.	Kapenguria Water Company Limited	19,412,215
71.	Kapsabet-Nandi Water Services Company Limited	18,694,397
72.	Embe Water and Sanitation Company Limited	16,516,877
73.	Nyanas Water and Sanitation Company Limited	15,032,720
74.	Matungulu - Kangundo Water and Sewerage Company Limited	12,949,010
75.	Tetu Aberdare Water and Sanitation Company Limited	12,540,482
76.	Elwak Water and Sewerage Company Limited	10,445,603
77.	Tana River Water and Sanitation Company Limited	10,057,260
78.	Ngagaka Water and Sanitation Company Limited	9,133,112
79.	Mbooni Water and Sanitation Company Limited (MBONWASCO)	8,480,181
80.	Kakamega County Rural Water and Sanitation Company Limited.	8,387,230
81.	Kathiani Water and Sanitation Company Limited	6,454,874
82.	Isiolo Water and Sewerage Company Limited	3,695,071
83.	Gulf Water Services Company Limited	2,791,350
84.	Rukanga Water and Sanitation Company Limited	2,227,810
85.	Naromoru Water and Sanitation Company Company Limited	1,848,050
86.	Cherang'any Marakwet Water and Sanitation Company Limited	638,306
87.	Marsabit Water and Sewerage Company (MARWASCO) Limited	208,576
	Total	**20,383,848,327**

Appendix 12: Long Outstanding Trade and Other Payables

S/No	Water Company	Amount (Kshs)
1.	Nairobi City Water and Sewerage Company Limited	4,144,716,223
2.	Mombasa Water and Sewerage Company Limited	1,764,793,299
3.	Tavevo Water and Sewerage Company Limited	896,704,185
4.	Malindi Water and Sewerage Company Limited	800,042,472
5.	Kakamega County Water and Sanitation Company Limited.	643,483,643
6.	Kwale Water and Sewerage Company Limited	568,140,488
7.	Nakuru Water and Sanitation Services Company Limited	399,331,524
8.	Kiambu Water and Sewerage Company Limited	241,708,347
9.	Bomet water and sanitation Company Limited	230,154,220
10.	Githunguri Water and Sanitation Company Limited	224,222,375
11.	Thika Water and Sewerage Company Limited	218,014,348
12.	Kericho Water and Sanitation Company Limited	198,345,650
13.	Busia Water and Sewerage Services Company Limited	157,416,129
14.	Garissa Water and Sewerage Company Limited	136,129,882
15.	SIBO Water Company LimitedCompany	129,812,391
16.	Embu Water and Sanitation Company Limited	127,143,532
17.	Kitui Water and Sanitation Company Limited	124,262,290
18.	Karuri Water and Sanitation Company Limited	120,157,830
19.	Limuru Water and Sewerage Company Limited	113,159,321
20.	Nyahururu Water and Sanitation Company Limited	99,481,567
21.	Kikuyu Water Company Limited	96,084,371
22.	Kirinyaga Water and Sanitation Company Limited	95,641,571
23.	Murang'a South Water and Sanitation Company Limited	88,307,133
24.	Olkejuado Water and Sewerage Company Limited	81,801,702
25.	Eldoret Water and Sewerage Company Limited	80,599,844
26.	Muranga Water and Sanitation Company Limited	80,570,457
27.	Eldama Ravine Water and Sewerage Company Limited	80,472,347
28.	Nyeri Water and Sanitation Company Limited	80,003,192
29.	Mandera Water and Sewerage Company Limited	79,919,147
30.	Meru Water and Sewerage Company Limited	74,677,855
31.	Mavoko Water Company Limited	74,256,238
32.	Gatundu Water and Sanitation Company Limited	73,246,582
33.	Lodwar Water and Sewerage Company Limited	66,174,961
34.	Narok Water and Sanitation Company Limited	57,653,886
35.	Gusii Water and Sanitation Company Limited	57,564,077
36.	Municipal Council of Machakos Water and Sewerage Company Limited	53,011,951
37.	Naivasha Water and Sanitation Company Limited	45,512,644
38.	Kirandich Water Company Limited	44,923,290
39.	Gatamathi Water and Sanitation Company Limited	43,070,909
40.	Mathira Water and Sanitation Company Limited	40,201,991
41.	Lamu Water and Sewerage Company Limited	40,041,323
42.	Yatta Water and Services Company Limited	38,589,534

S/No	Water Company	Amount (Kshs)
43.	Olkalou Water and Sanitation Company Limited	38,338,140
44.	Kisumu Water and Sewerage Company Limited	37,522,288
45.	Homa Bay Water Services Company Limited	36,780,114
46.	Ngandori Water and Sanitation Company Plc	33,283,258
47.	Meru Rural Water and Sanitation Company Limited	27,333,540
48.	Iten Tambach Water Company Limited	22,623,924
49.	Wote Water and Sanitation Company Limited	21,693,955
50.	Nyandarua Water and Sanitation Company Limited	20,382,782
51.	Migori County Water and Sanitation Company Limited	19,512,747
52.	Murang'a West Water and Sanitation Company Limited	18,384,976
53.	Kapenguria Water Company Limited	18,012,215
54.	Nithi Water and Sanitation Company Limited	17,246,805
55.	Nanyuki Water and Sanitation Company limited	16,680,527
56.	Kyeni Water and Sanitation Company Limited	16,136,591
57.	Nakuru Rural Water and Sanitation Company Limited	16,054,158
58.	Nyanas Water and Sanitation Company Limited	12,797,883
59.	Othaya Mukurweini Water and Sanitation Company Limited	11,808,567
60.	Matungulu - Kangundo Water and Sewerage Company	10,827,882
61.	Kapsabet-Nandi Water Services Company	8,919,619
62.	Embe Water and Sanitation Company Limited	8,258,438
63.	Kiambere Mwingi Water and Sanitation Company Limited	6,778,131
64.	Mbooni Water and Sanitation Company Limited MBONWASCO	6,592,498
65.	Tana River Water and Sanitation Company	3,646,401
66.	Kathiani Water and Sanitation Company Limited	2,312,146
67.	Tetu Aberdare Water and Sanitation Company Limited	2,233,993
68.	Rukanga Water and Sanitation Company Limited	1,079,726
69.	Naromoru Water and Sanitation Company Limited	935,690
	Total	**13,245,721,715**

Appendix 13: Unsupported Customer Deposits

S/No	Water Company	Amount (Kshs)
1.	Nakuru Rural Water and Sanitation Company Limited	47,023,602.00
2.	Mavoko Water Company Limited	37,669,750.00
3.	Naivasha Water and Sanitation Company Limited	23,394,367.00
4.	Gusii Water and Sanitation Company Limited	16,654,705.00
5.	Lodwar Water and Sewerage Company Limited	15,282,919.00
6.	Gatanga Community Water Scheme	13,730,120.00
7.	Gatamathi Water and Sanitation Company Limited	11,651,450.00
8.	Embe Water and Sanitation Company Limited	7,204,604.00
9.	Samburu Water and Sanitation Company Limited	7,035,949.00
10.	Wote Water and Sanitation Company Limited	5,673,850.00

11.	Nyandarua Water and Sanitation Company Limited	4,979,543.00
12.	Nol-Turesh Loitokitok Water and Sanitation Company Limited	2,754,697.00
13.	Bomet water and sanitation Company Limited	2,692,989.00
14.	Ngandori Water and Sanitation Company Plc	2,352,201.00
15.	Kirandich Water Company Limited	2,297,198.00
16.	Mwala Water and Sanitation Company Limited	1,898,822.00
17.	Amatsi Water Services Company Limited	284,074.00
	Total	**202,580,840.00**

Appendix 14: Companies with Positive Working Capital and No Deficit

S/No	Water Company
1	Cherang'any Marakwet Water and Sanitation Company Limited
2	Kakamega County Rural Water and Sanitation Company Limited.
3	Murang'a West Water and Sanitation Company Limited
4	Naromoru Water and Sanitation Company Limited
5	Tetu Aberdare Water and Sanitation Company Limited
6	Kathiani Water and Sanitation Company Limited
7	Naivasha Water and Sanitation Company Limited
8	Garissa Water and Sewerage Company Limited
9	Kisumu Water and Sewerage Company Limited
10	Eldama ravine Water and Sewerage Company Limited
11	Nanyuki Water and Sewerage Company Limited
12	Murang'a Water and Sanitation Company Limited

Appendix 15: Material Uncertainty Due to Negative Working Capital

S/No	Water Company	Deficit (Kshs)	Current Assets (Kshs)	Current Liabilities (Kshs)	Negative Working Capital (Kshs)
1.	Embe Water and Sanitation Company Limited	12,938,426	32,691,876	36,153,597	(3,461,721)
2.	Gatanga Community Water Scheme	8,908,184	64,236,272	78,613,278	(14,377,006)
3.	Kiambu Water and Sewerage Company Limited	0	240,336,618	291,435,298	(51,098,680)
4.	Kirandich Water Company	19,328,088	55,059,003	65,650,810	(10,591,807)

S/No	Water Company	Deficit (Kshs)	Current Assets (Kshs)	Current Liabilities (Kshs)	Negative Working Capital (Kshs)
5.	Kwale Water and Sewerage Company	12,877,718	384,306,862	622,449,838	(238,142,976)
6.	Lodwar Water and Sewerage Company	19,313,626	50,028,626	109,365,539	(59,336,913)
7.	Meru Rural Water and Sanitation Company Limited	6,003,869	52,508,978	59,420,939	(6,911,961)
8.	Mombasa Water and Sewerage Company Limited	18,355,388	535,510,355	2,513,692,755	(1,978,182,400)
9.	Mwala Water and Sanitation Company Limited	5,293,562	5,213,222	25,068,995	(19,855,773)
10.	Nakuru Water and Sanitation Services Company	54,382,923	1,348,204,398	1,573,174,597	(224,970,199)
11.	Nyahururu Water and Sanitation Company Limited	40,392,742	79,459,208	172,664,392	(93,205,184)
12.	Nzoia Water Service Company Limited	17,549,517	459,511,404	537,905,969	(78,394,565)
13.	Oloolaiser Water and Sewerage Company Limited	57,698,538	123,601,616	387,542,297	(263,940,681)
14.	SIBO Water Company Limited	27,371,045	138,191,128	163,284,899	(25,093,771)
15.	Busia Water and Sewerage Services Company Limited	13,485,278	154,881,289	175,674,282	(20,792,993)
16.	Elwak Water and Sewerage Company Limited	28,558,408	2,602,637	10,445,603	(7,842,966)
17.	Kitui Water and Sanitation Company Limited	32,796,024	0	0	-
18.	Limuru Water and Sewerage Company Limited	16,255,724	35,880,419	161,977,230	(126,096,811)
19.	Mbooni Water and Sanitation Company Limited (MBONWASCO)	720,634	4,255,618	8,480,181	(4,224,563)
20.	Municipal Council of Machakos Water and Sewerage Company Limited	29,911,567	0	0	-
21.	Nakuru Rural Water and Sanitation Company Limited	38,418,876	333,151,608	479,122,096	(145,970,488)
22.	Nol-Turesh Loitokitok Water and	18,242,989	94,824,896	321,078,390	(226,253,494)

S/No	Water Company	Deficit (Kshs)	Current Assets (Kshs)	Current Liabilities (Kshs)	Negative Working Capital (Kshs)
	Sanitation Company Limited				
23.	Yatta Water and Services Company Limited	3,112,024	32,949,876	49,988,093	(17,038,217)
24.	Bomet water and sanitation Company Limited	49,332,112	240,181,112	267,292,515	(27,111,403)
25.	Gatamathi Water and Sanitation Company Limited	4,582,567	60,527,255	81,472,621	(20,945,366)
26.	Githunguri Water and Sanitation Company Limited	9,920,434	83,132,462	254,728,852	(171,596,390)
27.	Kibwezi Water and Sanitation Company Limited	19,314,400	60,499,874	99,613,718	(39,113,844)
28.	Migori County Water and Sanitation Company Limited	4,452,421	64,236,839	91,540,224	(27,303,385)
29.	Muranga Water and Sanitation Company Limited	0	173,795,972	175,265,603	(1,469,631)
30.	Olkejuado Water and Sewerage Company Limited	21,734,787	76,800,958	124,251,411	(47,450,453)
31.	Tavevo Water and Sewerage Company Limited	166,557,613	653,458,192	985,039,193	(331,581,001)
32.	Wote Water and Sanitation Company Limited	7,475,843	18,741,057	31,663,440	(12,922,383)
33.	Homa Bay Water Services Company Limited	0	105,154,790	318,423,857	(213,269,067)
34.	Kericho Water and Sanitation Company Limited	0	274,420,415	310,446,857	(36,026,442)
35.	Kikuyu Water Company Limited	1,287,763	101,698,157	179,266,543	(77,568,386)
36.	Kirinyaga Water and Sanitation Company Limited	17,016,252	198,650,570	224,366,194	(25,715,624)
37.	Kyeni Water and Sanitation Company Limited	2,507,979	0	0	-
38.	Malindi Water and Sewerage Company Limited	0	644,892,452	1,186,066,240	(541,173,788)
39.	Matungulu - Kangundo Water	2,735,993	12,258,606	12,949,010	(690,404)

S/No	Water Company	Deficit (Kshs)	Current Assets (Kshs)	Current Liabilities (Kshs)	Negative Working Capital (Kshs)
	and Sewerage Company Limited				
40.	Murang'a South Water and Sanitation Company Limited	0	111,794,952	211,933,727	(100,138,775)
41.	Nairobi City Water and Sewerage Company Limited	118,067,920	4,354,828,003	6,016,217,650	(1,661,389,647)
42.	Nyanas Water and Sanitation Company Limited	2,179,342	13,407,453	15,032,720	(1,625,267)
43.	Olkalou Water and Sanitation Company Limited	2,236,469	23,687,568	23,861,518	(173,950)
44.	Ruiru Juja Water and Sewerage Co	4,789,250	561,738,638	657,082,050	(95,343,412)
45.	Wajir Water and Sewerage Company Limited	0	87,403,611	192,250,789	(104,847,178)
46.	Gusii Water and Sanitation Company	66,179,696	161,498,748	200,317,822	(38,819,074)
47.	Karuri Water and Sanitation Company Limited	18,431,304	56,496,720	189,888,269	(133,391,549)
	Total	**1,000,717,295**	**12,366,710,313**	**19,692,159,901**	**(7,325,449,588)**

Appendix 16: Material Uncertainty Due to Deficit

S/No	Water Company	Deficit (Kshs)
1	Ngagaka Water and Sanitation Company Limited	3,179,682
2	Iten Tambach Water Company Limited	3,525,440
3	Kapsabet-Nandi Water Services Company	14,442,544
4	Kiambere Mwingi Water and Sanitation Company Limited	18,252,855
5	Kilifi Mariakani Water and Sewerage Company	94,096,435
6	Kitui Water and Sanitation Company Limited	32,796,024
7	Marsabit Water and Sewerage Company (MARWASCO) Limited	9,245,544
8	Municipal Council of Machakos Water and Sewerage Company Limited	29,911,567
9	Nyandarua Water and Sanitation Company Limited	3,485,258
10	Othaya Mukurweini Water and Sanitation Company Limited	44,543,002
11	Isiolo Water and Sewerage Company Limited	950,297
12	Kapenguria Water Company Limited	450,423

S/No	Water Company	Deficit (Kshs)
13	Lamu Water and Sewerage Company Limited	6,598,233
14	Mavoko Water Company Limited	4,455,813
15	Narok Water and Sanitation Company Limited	3,771,853
16	Nithi Water and Sanitation Company Limited	18,951,647
17	Nyeri Water and Sanitation Company Limited	8,128,954
18	Amatsi Water Services Company Limited	17,981,276
19	Eldoret Water and Sewerage Company Limited	111,973,127
20	Kakamega County Water and Sanitation Company Limited.	5,400,381
21	Mathira Water and Sanitation Company Limited	19,016,806
22	Rukanga Water and Sanitation Company	51,092
23	Mandera Water and Sewerage Company Limited	27,400,835
24	Embu Water and Sanitation Company Limited	66,624,681
25	Gatundu Water and Sanitation Company Limited	52,082,940
26	Ngandori Water and Sanitation Company Plc	6,786,764
27	Meru Water and Sewerage Company Limited	6,230,152
28	Tana River Water and Sanitation Company	18,373,852

Appendix 17: Audit Opinions

S/No	Financial Statements	Opinion
1.	Kibwezi Water and Sanitation Company Limited	Unmodified
2.	Cherang'any Marakwet Water and Sanitation Company Limited	Qualified
3.	Embe Water and Sanitation Company Limited	Qualified
4.	Gatanga Community Water Scheme	Qualified
5.	Kakamega County Rural Water and Sanitation Company Limited.	Qualified
6.	Kiambu Water and Sewerage Company Limited	Qualified
7.	Kwale Water and Sewerage Company Limited	Qualified
8.	Lodwar Water and Sewerage Company Limited	Qualified
9.	Mathira Water and Sanitation Company Limited	Qualified
10.	Meru Rural Water and Sanitation Company Limited	Qualified
11.	Mombasa Water and Sewerage Company Limited	Qualified
12.	Mwala Water and Sanitation Company Limited	Qualified
13.	Nakuru Water and Sanitation Services Company Limited	Qualified
14.	Ngagaka Water and Sanitation Company Limited	Qualified
15.	Nyahururu Water and Sanitation Company Limited	Qualified
16.	Nzoia Water Service Company Limited	Qualified
17.	Oloolaiser Water and Sewerage Company Limited	Qualified
18.	Samburu Water and Sanitation Company Limited	Qualified
19.	SIBO Water Company Limited	Qualified
20.	Thika Water and Sewerage Company Limited	Qualified
21.	Busia Water and Sewerage Services Company Limited	Qualified
22.	Elwak Water and Sewerage Company Limited	Qualified

S/No	Financial Statements	Opinion
23.	Iten Tambach Water Company Limited	Qualified
24.	Kapsabet-Nandi Water Services Company Limited	Qualified
25.	Kiambere Mwingi Water and Sanitation Company Limited	Qualified
26.	Kilifi Mariakani Water and Sewerage Company Limited	Qualified
27.	Kitui Water and Sanitation Company Limited	Qualified
28.	Limuru Water and Sewerage Company Limited	Qualified
29.	Marsabit Water and Sewerage Company (MARWASCO) Limited	Qualified
30.	Mbooni Water and Sanitation Company Limited (MBONWASCO)	Qualified
31.	Municipal Council of Machakos Water and Sewerage Company Limited	Qualified
32.	Murang'a West Water and Sanitation Company Limited	Qualified
33.	Nakuru Rural Water and Sanitation Company Limited	Qualified
34.	Naromoru Water and Sanitation Company Limited	Qualified
35.	Nol-Turesh Loitokitok Water and Sanitation Company Limited	Qualified
36.	Nyandarua Water and Sanitation Company Limited	Qualified
37.	Othaya Mukurweini Water and Sanitation Company Limited	Qualified
38.	Tetu Aberdare Water and Sanitation Company Limited	Qualified
39.	Yatta Water and Services Company Limited	Qualified
40.	Bomet water and sanitation Company Limited	Qualified
41.	Gatamathi Water and Sanitation Company Limited	Qualified
42.	Githunguri Water and Sanitation Company Limited	Qualified
43.	Isiolo Water and Sewerage Company Limited	Qualified
44.	Kapenguria Water Company Limited	Qualified
45.	Kathiani Water and Sanitation Company Limited	Qualified
46.	Lamu Water and Sewerage Company Limited	Qualified
47.	Mandera Water and Sewerage Company Limited	Qualified
48.	Mavoko Water Company	Qualified
49.	Migori County Water and Sanitation Company Limited	Qualified
50.	Muranga Water and Sanitation Company Ltd	Qualified
51.	Naivasha Water and Sanitation Company Limited	Qualified
52.	Narok Water and Sanitation Company	Qualified
53.	Nithi Water and Sanitation Company Limited	Qualified
54.	Nyeri Water and Sanitation company	Qualified
55.	Olkejuado Water and Sewerage Company	Qualified
56.	Rukanga Water and Sanitation Company	Qualified
57.	Wote Water and Sanitation Company Limited	Qualified
58.	Eldama Ravine Water and Sewerage Company Limited	Qualified
59.	Embu Water and Sanitation Company Limited	Qualified
60.	Gatundu Water and Sanitation Company Limited	Qualified
61.	Homa Bay Water Services Company	Qualified
62.	Kericho Water and Sanitation Company Ltd	Qualified
63.	Kikuyu Water Company	Qualified
64.	Kirinyaga Water and Sanitation Company	Qualified
65.	Malindi Water and Sewerage Company	Qualified
66.	Matungulu - Kangundo Water and Sewerage Company	Qualified
67.	Meru Water and Sewerage Company Limited	Qualified
68.	Murang'a South Water and Sanitation Company Ltd	Qualified
69.	Nairobi City Water and Sewerage Company	Qualified

S/No	Financial Statements	Opinion
70.	Nanyuki Water and Sanitation Company Ltd	Qualified
71.	Ngandori Water and Sanitation Company Plc	Qualified
72.	Olkalou Water and Sanitation Company Ltd	Qualified
73.	Ruiru Juja Water and Sewerage Co	Qualified
74.	Tana River Water and Sanitation Company	Qualified
75.	Wajir Water and Sewerage Company Limited	Qualified
76.	Amatsi Water Services Company Limited	Qualified
77.	Eldoret Water and Sewerage Company	Qualified
78.	Gusii Water and Sanitation Company	Qualified
79.	Kakamega County Water and Sanitation Company Limited.	Qualified
80.	Karuri Water and Sanitation Company	Qualified
81.	Kisumu Water and Sewerage Company	Qualified
82.	Kirandich Water Company	Adverse
83.	Tavevo Water and Sewerage Company	Adverse
84.	Kyeni Water and Sanitation Company Limited	Adverse
85.	Garissa Water and Sewerage Company Limited	Adverse
86.	Gulf Water Services Company Limited	Disclaimer
87.	Nyanas Water and Sanitation Company Limited	Disclaimer

Appendix 18: Inaccuracies in the Financial Statements

S/No	Water Company	Description	Amount (Kshs)
1.	Kilifi Mariakani Water and Sewerage Company	Bulk water costs of Kshs.316,948,170 was not confirmed since a sample taken of 22 customers out of 189 customers was based on estimates billings other than actual billings. An amount of Kshs.2,170,000 spend on hiring of motor vehicles/ motor cycles could not be confirmed. Additionally, capital reserves fund balance of Kshs.50,094,019 was not supported by any documentations.	369,212,189
2.	Nakuru Rural Water and Sanitation Company Ltd	The staff cost in the financial statements reflects Kshs.167,726,229 while the supporting ledgers indicate Kshs.165,843,437 resulting to unexplained variance of Kshs.1,882,792.	167,726,229
3.	Tavevo Water and Sewerage Company	Unsupported grant income.	151,793,875
4.	Muranga Water and Sanitation Company Ltd	Inaccuracies in trade receivables balance	148,399,434
5.	Nol-Turesh Loitokitok Water and Sanitation Company	1. The company used 8% depreciation policy different from 12.5% in the significant accounting policy. 2. Accuracy of property plant and equipment balance Kshs.138,580,161 cannot be confirmed.	138,580,161
6.	Narok Water and Sanitation Company	Trade and other receivables balance were net of bad debts and provisions for bad debts of Kshs.21,346,859. However, the provisions for bad	85,080,998

S/No	Water Company	Description	Amount (Kshs)
		and doubtful debts was not supported with policy or approval from the board	
7.	Muranga Water and Sanitation Company Ltd	Inaccuracies on trade payables balance	80,570,457
8.	Gatamathi Water and Sanitation Company Limited	In accuracies of water sales revenue due to non-metered customers	70,711,180
9.	Nyandarua Water and Sanitation Company Ltd	Inaccuracies in property, plant and equipment balance	65,937,701
10.	Mandera Water and Sewerage Company Limited	Unsupported equity balance disclosed in financial statements	61,982,062
11.	Olkejuado Water and Sewerage Company	1. Variance of Kshs. 214,400 between amount of total payment disclosed in statement of cashflows and recalculated amount 2. Variance Kshs. 29,969,283 between a balance of non-current assets disclosed in financial statement and balance disclosed in trial balance 3. Variance of Kshs.1,031,444 between trade receivables disclosed in financial statements and balance in disclosed in trial balance 4. Variance of Kshs. 7,500 between balance of trade payables disclosed in financial statements and balance disclosed in trial balance 5. Variance of Kshs. 21,734,788 between retained earnings disclosed in the financial statements and balance disclosed in trial balance 6. Variance of Kshs. 2,684,439 between development grants disclosed in financial statements and balance disclosed in trial balance 7. Variance of Kshs.339,710 between licensing levies disclosed in financial statements and amount in the trial balance	55,981,564
12.	Eldama Ravine Water and Sewerage Company Limited	1. the debtors' ageing analysis was not provided for audit 2. provisions for bad and doubtful debts have not been disclosed in the financial statements	44,195,795
13.	Lodwar Water and Sewerage Company	Variance of Kshs.100,000 between retained earnings balance disclosed in statement of financial position and balance disclosed statement of changes in equity 2. Variance Kshs.3,477,217 between retained earnings disclosed in the statement of financial position and notes to the financial statements 3. Inaccuracies on property, plant and equipment balance as result of erroneously recording sewer infrastructure valued at Kshs.40,035,048 as additions during the year instead of prior year adjustments	43,612,261
14.	Mombasa Water and Sewerage Company	Property, plant and equipment balance included (12) motor vehicle grounded motor vehicles, (40) grounded motor cycles and (9) nine grounded tuk-tuks which were not in use	37,523,320
15.	Tana River Water and Sanitation Company	1.Total current assets balance of Kshs.79,345,935, recalculation gives a balance of Kshs.65,579,232 resulting in unexplained variance of	27,533,406

S/No	Water Company	Description	Amount (Kshs)
		Kshs.13,766,703. ii. Current liabilities balance of Kshs.70,739,983 which when recalculated gives a balance of Kshs.60,682,723 resulting to unexplained variance of Kshs.10,057,260 iii. The recalculated total asset balance is Kshs.72,283,340 while the recalculated total equity and liabilities balance is Kshs.75,992,783 resulting to unexplained variance of Kshs.3,709,443.	
16.	Nyandarua Water and Sanitation Company Ltd	Omission of Kshs 25,073,379 owed to Kericho Water and Sanitation Company in the trade and other payables balance	25,073,379
17.	Othaya Mukurweini Water and Sanitation Company Ltd	The balance for the inventory does not disclose the value of water as part of the inventory as at 30 June, 2024.	12,211,863
18.	Githunguri Water and Sanitation Company	Un supported prior year adjustments made in statement of changes in equity	12,012,856
19.	Kericho Water and Sanitation Company Ltd	Omitted bank balance of Kshs.10,956,353	10,956,353
20.	Elwak Water and Sewerage Company	The expenditure of staff cost Kshs.20,192,700 did not include salaries for permanent employees from county	10,192,700
21.	Isiolo Water and Sewerage Company Limited	Operational grant from UNICEF was not disclosed in the statement of profit and loss and other comprehensive income	8,243,052
22.	Yatta Water and Services Company	Net cash from operating activities varies from balance in Note 47 to financial statements by 139,999 while trade and other payables in the same note 47 varies from recalculated amount by Kshs.5,682,898.	5,822,897
23.	Kiambere Mwingi Water and Sanitation Company Limited	Inaccuracies of various balances in the statement of cashflows leading to inaccuracies in cash and cash equivalent balances	5,821,950
24.	Lamu Water and Sewerage Company	Statement of cashflows discloses an amount of depreciation as cash outflow	4,821,867
25.	Kathiani Water and Sanitation Company Limited	Un explained variance between disclosed cash balance disclosed in financial statements and recalculated balance	4,362,493
26.	Kirandich Water Company	1.Inaccuracies in the financial statement as result of expensing reprovisions and recognizing them as current liability -Kshs.2,243,545 2. Variance of Kshs. 1,892,039 between balance in financial statements and notes to the financial statements	4,135,584
27.	Mathira Water and Sanitation Company	Variance between FS and recomputed amounts of: 1. Total actual receipts - Kshs.1,784,832 2. Total Performance difference - Kshs. (1,784,830)	3,569,662
28.	Marsabit Water and Sewerage Company (MARWASCO)	The statement of comprehensive income reflects operating revenue of Kshs.15,459,135 while the monthly analysis provided for audit review reflected revenue collections was Kshs.11,696,220 resulting to unexplained variance of Kshs.3,762,915.	3,522,915

S/No	Water Company	Description	Amount (Kshs)
29.	Ngandori Water and Sanitation Company Plc	Undisclosed water inventory held in the distribution of infrastructure	3,484,206
30.	Nakuru Rural Water and Sanitation Company Ltd	Bills payable to KPLC were excluded from the trade and other payables balance	3,354,425
31.	Elwak Water and Sewerage Company	The company had no data on the volume of water released to the pipeline hence the accuracy of water sales revenue cannot be confirmed	3,336,240
32.	Homa Bay Water Services Company	1. Unconfirmed Balance of land and buildings of unknown values owned by the Company not disclosed 2. Unexplained opening balance adjustment in VAT input asset balance of Kshs.3,302,079.	3,302,079
33.	Naivasha Water and Sanitation Company Limited	Understatement of revenue by Kshs.2,972,500	2,972,500
34.	Kyeni Water and Sanitation Company Limited	1.Inaccuracies in the provision for bad and doubtful debts 2. Non-valuation and Non-Disclosure of Property, Plant and Equipment	2,662,029
35.	Embe Water and Sanitation Company Limited	Uncorrected difference between the statement of cashflow opening balance cash generated from operating activities and notes to the financial statements	750,179
36.	Matungulu - Kangundo Water and Sewerage Company	Billing system purchased at a cost of Kshs.300,000 was included as an addition to property, plant, and equipment instead of intangible assets item.	300,000
37.	Migori County Water and Sanitation Company Limited	Inaccuracies in ordinary share capital disclosed in financial statements	100,000
38.	Meru Rural Water and Sanitation Company Limited	Variance between statement of cashflows net cashflows from operating activities figure and notes to the account	50,400
	Total		**1,679,900,261**

Appendix 19: Unsupported Expenditure

S/No	Water Company	Description	Amount (Kshs)
1.	Malindi Water and Sewerage Company	i.Unsupported Bulk Water Cost- the master meter readings to support the bulk water expense were not provided for audit ii.The bulk water expenditure includes Kshs.171,724,393 in respect of electricity bills paid to Kenya Power and Lighting Company (KPLC) on behalf of Coast Water Works Development Agency (CWWDA)	193,367,497

S/No	Water Company	Description	Amount (Kshs)
		iii. Unsupported employee payables of Kshs.21,643,104	
2.	Amatsi Water Services Company Limited	Unsupported employee compensation	44,285,059
3.	Nakuru Water and Sanitation Services Company	Unsupported Central Rift Valley Water Works Development Agency (CRVWWDA) lease fees. Management has not provided evidence to indicate that the Company has taken possession and ownership of the assets financed by the loan.	39,468,545
4.	Nyanas Water and Sanitation Company Limited	i. Unsupported Production Expenses amount of Kshs.4,034,380 in respect of chemicals and expenses for production and Kshs.24,235,931 for electricity supply. ii. Unsupported Vehicle Running Expenses amounting to Kshs.2,019,808. iii. Unsupported Legal Expenses amounting Kshs.98,600	30,388,719
5.	Gatamathi Water and Sanitation Company Limited	Unsupported provisions for bad debts	20,187,134
6.	Gulf Water Services Ltd Company	Unsupported water production expenses	19,832,196
7.	Rukanga Water and Sanitation Company	Payments disclosed in statement of cash flow were not supported by note to the financial statements	13,233,706
8.	Nakuru Rural Water and Sanitation Company Ltd	the expenditure related to transport operating expenses that was not supported	12,464,343
9.	Tavevo Water and Sewerage Company	Unsupported fuel, oils and lubricants	4,716,378
10.	Samburu Water and Sanitation Company	Unsupported depreciation and amortization expense	4,358,538
11.	Kirandich Water Company	Unsupported casual worker wages Kshs. 2,202,933 Unsupported project expenses - Kshs.1,831,948	4,034,881
12.	Kiambu Water and Sewerage Co	Board expenses were not confirmed as result of non-provision of list of sub-committees' meetings held during the year.	3,756,222
13.	Bomet water and sanitation Company	Unsupported maintenance expenses	3,461,872
14.	Olkalou Water and Sanitation Company Ltd	Unsupported Travel and Subsistence amount of Kshs.2,562,380	2,562,380
15.	Narok Water and Sanitation Company	Wages were not supported with engagement letters, signed registers and supervisors' reports	2,147,799

S/No	Water Company	Description	Amount (Kshs)
16.	Mandera Water and Sewerage Company Limited	Unsupported domestic and subsistence allowances	1,353,109
17.	Yatta Water and Services Company	Note 14 indicate maintenance expense of Kshs.1,710,690. The amount includes Kshs.1,289,620 paid to a company whose formal request of repairs was not provided	1,289,620.00
18.	Yatta Water and Services Company	1. Board expenses of not supported with board invitation letters, signed minutes or attendance register and approval of rates in use for payment of chairman honoraria 2. Supplies amounting Kshs. 13,893,473 were not supported with payment and procurement records	1,285,973
19.	Naivasha Water and Sanitation Company Limited	Unsupported payment of internship stipend	1,281,750
20.	Kathiani Water and Sanitation Company Limited	Unsupported provisions for bad debts	1,026,241
21.	Nzoia Water Service Company	Unsupported expenditure on procurement of consultancy services.	977,400
22.	Olkejuado Water and Sewerage Company	Unsupported general expenses	927,100
23.	Lodwar Water and Sewerage Company	Domestic travel and subsistence not supported with payment vouchers, imprest warrants, attendance register and evidence of travel	497,310
24.	Nakuru Rural Water and Sanitation Company Ltd	Balance relates to equipment with a cost of Kshs.10,721,580 and accumulated depreciation of Kshs.11,130,781. Depreciation workings was not supported.	409,201
25.	Lamu Water and Sewerage Company	Unsupported general expenses	19,500
	Total		**407,332,473**

Appendix 20: Unreconciled Variances

S/No	Water Company	Description	Amount (Kshs)
1.	Tana River Water and Sanitation Company	i. Statement of financial position reflects trade and other payables balance of Kshs.46,309,909. However, the corresponding Note 25 to the financial statements reflects a balance of Kshs.10,057,260 resulting to unreconciled variance of Kshs.36,252,649. ii. aging analysis reflects a balance of Kshs.7,487,082 resulting to unexplained variance with the Note balance of	101,999,812

S/No	Water Company	Description	Amount (Kshs)
		Kshs.2,570,178. iii. Refundable deposits and prepayments balance of Kshs.606,111 which differs with Note 26 to the financial statement balance of Kshs.46,309,909 resulting to unreconciled variance of Kshs.45,703,798. iv. No maintain a separate bank account for deposits. iv. taxation balance of Kshs.13,766,703 which differs with corresponding Note 27 to the financial statements balance of Kshs.606,111 resulting to unexplained variance amount of Kshs.13,160,592. v. Cashflows reflects net cash used in operating activities amount of Kshs.8,618,619 while net cashflow used in operating activities amounting to Kshs.12,931,214 resulting to unreconciled variance of Kshs.4,312,595.	
2.	Malindi Water and Sewerage Company	i. unreconciled variance of Kshs.15,581,514 in respect of trade and other payables ii. customer deposits balance of Kshs.79,613,114. varies with bank statement balance of Kshs.1,298,963 resulting to unreconciled variance of Kshs.78,314,151	93,895,665
3.	Amatsi Water Services Company Limited	i. Recasted statement of cashflows reflects an unexplained variance of Kshs.33,619,047. ii. Recasted statement of changes in equity reflects an unexplained variance of Kshs. 24,564,884. iii. Variance of Kshs. 100,000 in ordinary share capital as captured in statement of financial position and notes. iv. Variance in revenue of Kshs.4,889,792 between statement of profit or loss and actuals in the budget. v. Variance in expenditure captured in statement of financial performance and actuals in budget of Kshs. 20,012,268	83,185,991
4.	Kericho Water and Sanitation Company Ltd	i. Operating revenues amounting to Kshs.229,072,438 differs with the invoice bills generated from revenue system totalling Ksh.220,909,892 resulting to unexplained variance of Kshs.8,162,546 ii. grants income amounting to Kshs.8,945,870 differs with the ledger balances amounting to Ksh.12,635,704 resulting to unexplained variance of Kshs.3,689,834 iii. staff costs amounting to Kshs.123,124,881 differs with payrolls' gross salary and allowances amounting Kshs.121,426,767 resulting in unexplained variance of Kshs.1,698,114 iv. board expenses totalling Kshs.353,940 differs with the supporting schedule amount of Kshs.1,102,340, resulting in unexplained variance of Kshs.748,400. v. Meters net book values amounting to Kshs.29,850,425 which differs with the assets register balance of Kshs.30,218,796 resulting in unreconciled	68,936,930

S/No	Water Company	Description	Amount (Kshs)
		variance of Kshs.368,371 vi. water/ sewer pipeline amounting to Kshs.13,819,509 which differs with the assets register balance of Kshs.29,651,815 resulting in unreconciled variance of Kshs.15,832,306. vi. inventories totalling Kshs.8,094,627 differ with the annual stock taking report inventories balance of Kshs.7,980,898 resulting in unexplained variance of Kshs.113,729 vii. Receivables totalling Kshs.249,238,257 differs with the ledger totalling Ksh.275,019,877 resulting to an unexplained variance of Ksh.25,781,620. viii. Other payables includes a balance Kshs.20,807,326 payable to Water Services Regulatory Board (WASREB) which differs with the ledger amount of Kshs.25,186,790 resulting to unexplained variance of Kshs.4,379,464 ix. Managing Director's report revealed that the company lost 2,531,230 (m3) which differed with the volume of 2,770,026 (m 3) reflected in water production statements resulting to unexplained and unreconciled variance of 238,796 (m 3) of non-revenue water.	
5.	Lodwar Water and Sewerage Company	1. Variance between operating revenue in FS and water sales ledgers - Kshs.46,465,485 2. Trade payables - Kshs.11,948,823 variance between FS and supporting schedules	58,414,308
6.	Nzoia Water Service Company	i. Unexplained variance in the recasted statement of financial position of Kshs. 5,525,240. ii. Unreconciled variance of Kshs.36,211,622 between financial statements and notes 25 to the financial statement relating to trade payables	41,736,862
7.	Homa Bay Water Services Company	i. the Company made a profit after tax of Kshs.4,221,741 which resulted in accumulated losses totalling Kshs.34,308,616 which differs with the corresponding accumulated losses (retained earnings) of Kshs.42,869,710 a resulting to a variance of Kshs.8,561,094. ii. refundable deposit balance of Kshs.11,746,496 which differ with the bank statements credit balance of Kshs.26,414 resulting in a variance of Kshs.11,720,082	20,281,176
8.	Nithi Water and Sanitation Company Limited	Un reconciled variance between amount in customers' refundable deposit ledger and amount in the bank account	19,255,780
9.	Kakamega County Water and Sanitation Company Limited.	Variance of Kshs. 1,611,254 in the statement of financial position, trade and other receivables, and the ledger balances relating to the component. ii) Variance of Kshs. 15, 439,976 in the statement of financial position, trade and	17,051,230

S/No	Water Company	Description	Amount (Kshs)
		other payables, and the ledger balances relating to it.	
10.	Nyandarua Water and Sanitation Company Ltd	Trade and other payables variance between amount in financial statement and amount in ledgers	15,510,729
11.	Bomet water and sanitation Company	Variance between balance disclosed in financial statements and balance disclosed in ledgers	15,510,729
12.	Cherang'any Marakwet Water and Sanitation Company Limited	Variances between financial statement balances and supporting schedules: Operating Revenue - Kshs.2,378,230 Staff Costs - Kshs.365,136 General Expenses - Kshs. 53,434 Trade receivables - Kshs. 1,621,000 Maintenance - Kshs.520,525	4,938,325
13.	Yatta Water and Services Company	The refundable deposits and prepayments as disclosed in Note 43 was Kshs.4,266,588 while the reconciled cash book balance indicate Kshs.133.80 resulting to unexplained variance of Kshs.4,266,454.	4,266,454
14.	Wote Water and Sanitation Company Limited	Variance between refundable customer balance on the financial statements and customers deposit cash book	3,673,478
15.	Kisumu Water and Sewerage Company	Unreconciled variance between presented statement and revised statement without accompanying supporting journals.	2,371,828
16.	Gatanga Community Water Scheme	Variance between financial statements and supporting schedules - staff gross salaries and allowances	1,765,441
17.	Matungulu - Kangundo Water and Sewerage Company	Inaccuracies in retained earnings resulting in unexplained variance of Kshs.1,432,674	1,432,674
18.	Kikuyu Water Company	i. Cash and Cash Equivalents balance of Kshs.16,360 differs with the amount reported of Kshs.14,250 resulting in a variance of Kshs.2,110 ii. Variance Between Financial Statements and Ledgers Kshs.403,824 iii. Water sales and sewerage services amounting to Kshs.139,503,846 and supporting schedules and water bill schedule totalling to Kshs.138,548,067 resulting in an unexplained variance of Kshs.955,779. iv. Variances in Water Inventory-water volumes of 14,411.14 m3 which differs with the reported volume of 21,999.93m3 resulting to unexplained variance of 7,588.79m3.	1,361,713
19.	Githunguri Water and Sanitation Company	Variance between amount of purchase of property, plant and equipment disclosed in the statement of cashflows and amount disclosed in the note to the financial statements	892,448
20.	Olkalou Water and Sanitation Company Ltd	customer deposits Balance of Kshs.290,000 differs with bank statement balance of Kshs.595,518 resulting to unreconciled and unexplained variance of Kshs.305,518.	305,518.00

S/No	Water Company	Description	Amount (Kshs)
21.	Gusii Water and Sanitation Company	Variance of Kshs. 252,836 in the statement of cashflows was not reconciled	252,836
22.	Samburu Water and Sanitation Company	Variance between cash and cash equivalent statement and statement of financial position of Kshs. 177,730	177,733
23.	Lamu Water and Sewerage Company	Variance between receivables balance disclosed in statement of financial position and amount disclosed in note to the financial statements	142,776
24.	Elwak Water and Sewerage Company	Note 17 to the financial statements reflects ordinary share capital of Kshs.100,000. However, the company share capital comprise of 100 shares of Kshs.100 each totalling Kshs.10,000 hence a variance of Kshs.90,000.	90,000
25.	Tavevo Water and Sewerage Company	Unreconciled variance on WASREB levy disclosed in financial statement and amount recomputed/ generated from revenue system	63,550
26.	Oloolaiser Water and Sewerage Company	Variance of Kshs.46,985 between customer account bank balance and statement of financial position	46,895
27.	Mwala Water and Sanitation Company	Variance between operating revenue in financial statement and supporting schedules	4,000
	Total		**557,564,881**

Appendix 21: Unsupported Balances

S/No	Water Company	Description	Amount (Kshs)
1.	Nairobi City Water and Sewerage Company	i. Unsupported Prior Year Adjustments Kshs.6,020,784,338 ii. Unsupported Statement of Changes in Equity balance of Kshs.587,865,536 and Kshs.4,811,809	6,613,461,683
2.	Garissa Water and Sewerage Company Limited	Unsupported trade receivables and capital fund of Kshs. 31,758,485 respectively.	1,023,038,107
3.	Eldoret Water and Sewerage Company	Unsupported water sales	583,412,953
4.	Malindi Water and Sewerage Company	i. Unsupported balance of Kshs.544,312,512 in respect of long outstanding bulk water purchases from Coast Water Works Development Agency (CWWDA)	544,312,512
5.	Homa Bay Water Services Company	i. Unsupported Long Out-Standing Payables in accrued LSVWB Levies of Kshs.24,411,441, accrued WARMA Levies of Kshs.3,513,971, accrued WASPA subscription of Kshs.660,000 and accrued WASREB Levies of Kshs.8,194,702 ii. Unsupported Deferred Income balance of Kshs.178,654,201 iii. Unsupported other receivables balance of Kshs.9,673,733	225,108,048

S/No	Water Company	Description	Amount (Kshs)
6.	Thika Water and Sewerage Co	Unsupported long term outstanding payable balance of Kshs. 48,502,827 attributed to the defunct municipal council of Thika and Kshs. 169,511,521 attributed to defunct Athi Water Services Board.	218,014,348
7.	Kirandich Water Company	1.PPE additions not supported with ledgers- Kshs.94,605 2.WIP not supported with interim payment certificates and payment vouchers, and schedule of projects being implemented - Kshs.77,032,821 3. Unsupported inventories - Kshs.2,891,988 no evidence of stock count 4.Retirement obligations - Kshs.4,864,444 5. Ordinary share capital - kshs.100,000 no share certificate or CR12 6. Trade payables - Kshs.55,288,497 - no listing and ageing analysis 7.Trade and other receivables - Kshs.34,584,814 8. Unsupported Long-term liabilities - Kshs.27,102,739	201,959,908
8.	Tavevo Water and Sewerage Company	Variance of Kshs. 46,555,460 for inventory balances between amount disclosed in the comparative balance and the previous year audited balance. Unsupported lease fees obligations to Coast Water Works Development Agency of Kshs.129,397,816. Unsupported prior year adjustment in the statement of cashflows of Kshs.2,981,077	178,934,353
9.	Busia Water and Sewerage Services Company Limited	Unsupported Balances: 1. Trade and other payables Kshs.175,674,282 2.	175,674,282
10.	Kathiani Water and Sanitation Company Limited	Unsupported property plant and equipment balance	121,881,911
11.	Kikuyu Water Company	i. Unsupported Trade and Other Receivables balance of Kshs.95,294,741 ii. Unsupported Ordinary Share Capital Balance of Kshs.100,000	95,394,741
12.	Eldama Ravine Water and Sewerage Company Limited	i. unsupported Trade and Other Payables balance of Kshs.84,506,730	84,506,730
13.	Muranga Water and Sanitation Company Ltd	Inaccuracies on trade payables balance	80,570,457
14.	Wajir Water and Sewerage Company Limited	Unsupported Trade and Other Payables	70,820,936
15.	Mandera Water and Sewerage Company Limited	Trade receivables not supported by ledger or register	66,070,568
16.	Githunguri Water and Sanitation Company	Unsupported long outstanding trade and other receivables balances	57,926,808

S/No	Water Company	Description	Amount (Kshs)
17.	Migori County Water and Sanitation Company Limited	Unsupported trade receivables balance	56,898,871
18.	Tana River Water and Sanitation Company	i. Unsupported and Long Outstanding Trade and Other Receivables Balance of Kshs.55,459,934 which has been outstanding for over one hundred and twenty (120) days ii. Unsupported Inventory Balance of Kshs.125,900 iii. Unsupported Adjustment to Share Capital Balance as at 1 July, 2023 amounting to Kshs.5,000,000 and a closing balance amounting to Kshs.100,000 as at 30 June, 2024.	55,685,834
19.	Kericho Water and Sanitation Company Ltd	i. Unsupported infrastructural networks in inventory adjustments and inventory cost variance ii. Unsupported Ordinary Share Capital balance of Kshs.8,100,000 iii. Unsupported outstanding electricity supply bills amounting to Kshs.7,859,459 which has accrued from Tililbei Cost Centre since the year 2018 iv. Unsupported Other payables includes refuse bills owed Kericho County Government balance of Kshs.36,102,427 which dates back to 2002/2003 financial year	44,202,427
20.	Gatamathi Water and Sanitation Company Limited	Inclusion of long outstanding payables as current liabilities in the financial statements	43,070,909
21.	Lamu Water and Sewerage Company	The payables balance disclosed in the financial statement was not supported with a note to the financial statement and ledger	42,839,890
22.	Kwale Water and Sewerage Company	1.Ordinary shares - Kshs.2,000,000 - share certificate not provided 2.Capital reserves - Kshs.36,719,864 no schedules	38,719,864
23.	Nakuru Water and Sanitation Services Company	Inventories - No supporting schedules, no evidence of physical stock count	38,145,260
24.	Nanyuki Water and Sanitation Company Ltd	bank and cash balance of Kshs.29,059,476 which was below the customer refundable deposits by an amount of Kshs.3,540,857.	32,600,333
25.	Naivasha Water and Sanitation Company Limited	Unsupported refundable customer deposits	21,920,806
26.	Gatanga Community Water Scheme	Deferred income - Kshs.13,632,433 - no supporting documents Inventories - Kshs. 308,695 - no ledgers Short-term deposits - Kshs.3,032,830	16,974,228
27.	Yatta Water and Services Company	Note 12 to the financial statements reflects Kshs.13,893,473. The local purchase orders not issued to the suppliers and the	13,893,473

S/No	Water Company	Description	Amount (Kshs)
		procurement was not supported by relevant supporting documents.	
28.	Mavoko Water Company	Unsupported shot-term deposits	11,356,717
29.	Elwak Water and Sewerage Company	Management did not provide trade and other payable ledger to support the movement from previous year's balance Kshs.19,572,518.	10,445,603
30.	Samburu Water and Sanitation Company	Unsupported refundable deposits and prepayments	7,035,949
31.	Ngandori Water and Sanitation Company Plc	unsupported valuation report of seven (7) parcels of land	6,638,710
32.	Kapenguria Water Company	Unsupported trade and other payables	5,456,218
33.	Nyanas Water and Sanitation Company Limited	i. Unsupported Trade and Other Payables-Customer Deposits balance of Kshs.3,755,255 ii. Management did not provide Memorandum of Association and Articles of Association for the Company and CR12 indicating names of Company Directors for audit review.	3,755,255
34.	Kakamega County Rural Water and Sanitation Company Limited.	Unsupported prior year adjustments	3,104,145
35.	Bomet water and sanitation Company	Unsupported refundable customer deposits	2,692,989
36.	Olkejuado Water and Sewerage Company	Unreconciled variance on trade and other receivables in financial statement and recomputed balance	2,345,114
37.	Nakuru Rural Water and Sanitation Company Ltd	Relates to inventory balances that was not supported by inventory valuation reports.	1,920,027
38.	Amatsi Water Services Company Limited	Unsupported bank balances	1,029,846
39.	Olkalou Water and Sanitation Company Ltd	customer deposits Balance of Kshs.290,000 differs with bank statement balance of Kshs.595,518 resulting to unreconciled and unexplained variance of Kshs.305,518.	305,518
40.	Iten Tambach Water Company Ltd	The company had share capital of Kshs.100,000 in respect to 5000 shares of Kshs.20 each. However, the company did not provide share register for audit verification.	100,000
41.	Meru Water and Sewerage Company Limited	Lack of Share Certificates balance of Kshs.100,000	100,000
42.	Meru Rural Water and Sanitation Company Limited	Share certificate relating to paid up capital not provided for audit review	-
43.	Gulf Water Services Company Limited	Appropriate and sufficient evidence not provided	
	Total		**10,802,326,331**

Appendix 22: Prior Year Issues

S/No	Water Company
1.	Cherang'any Marakwet Water and Sanitation Company Limited
2.	Embe Water and Sanitation Company Limited
3.	Gatanga Community Water Scheme
4.	Kakamega County Rural Water and Sanitation Company Limited.
5.	Kiambu Water and Sewerage Co
6.	Kirandich Water Company
7.	Kwale Water and Sewerage Company
8.	Mathira Water and Sanitation Company
9.	Meru Rural Water and Sanitation Company Limited
10.	Mwala Water and Sanitation Company
11.	Nakuru Water and Sanitation Services Company
12.	Ngagaka Water and Sanitation Company Limited
13.	Nyahururu Water and Sanitation Company Ltd
14.	Nzoia Water Service Company
15.	Oloolaiser Water and Sewerage Company
16.	SIBO Water Company
17.	Thika Water and Sewerage Co
18.	Busia Water and Sewerage Services Company Limited
19.	Elwak Water and Sewerage Company
20.	Gulf Water Services Company Limited
21.	Iten Tambach Water Company Ltd
22.	Kapsabet-Nandi Water Services Company
23.	Kiambere Mwingi Water and Sanitation Company Limited
24.	Kilifi Mariakani Water and Sewerage Company
25.	Kitui Water and Sanitation Company Limited
26.	Limuru Water and Sewerage Co
27.	Marsabit Water and Sewerage Company
28.	Mbooni Water and Sanitation Company Limited
29.	Municipal Council of Machakos Water and Sewerage Company Limited
30.	Murang'a West Water and Sanitation Company Limited
31.	Nakuru Rural Water and Sanitation Company Ltd
32.	Naromoru Water and Sanitation Company Ltd
33.	Nol-Turesh Loitokitok Water and Sanitation Company
34.	Nyandarua Water and Sanitation Company Ltd
35.	Othaya Mukurweini Water and Sanitation Company Ltd
36.	Tetu Aberdare Water and Sanitation Company Ltd
37.	Yatta Water and Services Company
38.	Bomet water and sanitation Company
39.	Gatamathi Water and Sanitation Company Limited

S/No	Water Company
40.	Githunguri Water and Sanitation Company
41.	Isiolo Water and Sewerage Company Limited
42.	Kibwezi Water and Sanitation Company Limited
43.	Lamu Water and Sewerage Company
44.	Mandera Water and Sewerage Company Limited
45.	Mavoko Water Company
46.	Migori County Water and Sanitation Company Limited
47.	Muranga Water and Sanitation Company Ltd
48.	Naivasha Water and Sanitation Company Limited
49.	Tavevo Water and Sewerage Company
50.	Eldama Ravine Water and Sewerage Company Limited
51.	Embu Water and Sanitation Company Limited
52.	Gatundu Water and Sanitation Company Limited
53.	Homa Bay Water Services Company
54.	Kericho Water and Sanitation Company Ltd
55.	Kikuyu Water Company
56.	Malindi Water and Sewerage Company
57.	Matungulu - Kangundo Water and Sewerage Company
58.	Meru Water and Sewerage Company Limited
59.	Nairobi City Water and Sewerage Company
60.	Nanyuki Water and Sanitation Company Ltd
61.	Ngandori Water and Sanitation Company Plc
62.	Tana River Water and Sanitation Company
63.	Wajir Water and Sewerage Company Limited
64.	Amatsi Water Services Company Limited
65.	Eldoret Water and Sewerage Company
66.	Garissa Water and Sewerage Company Limited
67.	Gusii Water and Sanitation Company
68.	Kakamega County Water and Sanitation Company Limited.
69.	Karuri Water and Sanitation Company

Appendix 23: Presentation and Disclosure of Assets and Liabilities

S/No	Water Company	Description	Amount (Kshs)
1.	Nakuru Water and Sanitation Services Company	1. Failure to disclose material uncertainty related to going concern 2. Non-disclosure of unknown outstanding loan balance from a Loan of Kshs.994,706,658 procured from the African Development Bank (AfDB) through the defunct Rift Valley Water Works Development	994,706,658

S/No	Water Company	Description	Amount (Kshs)
		Agency (RWWDA) in the year 2014 and is being serviced by the company	
2.	Kiambu Water and Sewerage Co	Uncapitalized completed dam projects with commercial benefits	521,000,000
3.	Gulf Water Services Company Limited	Appropriate and sufficient evidence not provided for the following; (1). Property Plant and equipment Kshs.17,694,239 (2). Trade and other payablesKshs.10,018,728, (3). Trade and other receivables Kshs.30,452,165, (4). Customers deposits Kshs.2,750,350, (5). Production expenses Kshs.19,823,197, (6).	71,738,679
4.	Gatamathi Water and Sanitation Company Limited	Long outstanding trade and other receivable balance was inappropriately disclosed current assets in financial statements	46,749,954
5.	Mavoko Water Company	Unsupported write-off of payables	34,066,820
6.	Othaya Mukurweini Water and Sanitation Company Ltd	1. Assets inherited from Tana Water Services Board not incorporated in the financial statements. Fully depreciated assets with historical cost of Kshs.133,531,877 still in use had not been revalued.	23,161,509
7.	Naromoru Water and Sanitation Company Ltd	Two motor vehicles and two motor bikes of unknown value had not been disclosed in the financial statements	21,649,123
8.	Yatta Water and Services Company	Trade and other receivables balance in Note 29 to financial statements includes long outstanding receivables Kshs.16,625,270 whose no evidence was provided to confirm the effectiveness of debt collection.	16,625,270
9.	Eldama Ravine Water and Sewerage Company Limited	Non-disclosure of inherited debts of Kshs.13,209,459 which is part of equity which comprise of unpaid water bills and salaries of Kshs.11,592,483 and Kshs.1,616,976 respectively.	13,209,459
10.	Nairobi City Water and Sewerage Company	Balance of Kshs.11,005,000 withdrawn from the special accounts and transferred to the Ministry of Water and Sanitation in relation to Nairobi Sanitation Output Based Aid Project (OBA) - (IDA grant No.TF014251 and No.TF0A5607 not received by the Company and has not been included in the receivables balance	11,005,000
11.	Kericho Water and Sanitation Company Ltd	Non-disclosure of motor vehicles with a net book value of Kshs.8,997,382 in the property plant and equipment schedule.	8,997,382
12.	Lamu Water and Sewerage Company	Inaccurate disclosure of Company's' deficit in the statement of comparison of budget and actual amounts	6,598,233
13.	Kathiani Water and Sanitation Company Limited	Long outstanding trade receivables balance was inappropriately disclosed as current assets in the financial statements	5,132,202
14.	Nyandarua Water and Sanitation Company Ltd	Land valued nKshs.1,000,000 and water tank Kshs.3,184,125 inherited from RVWWDA without ownership documents and handing over report. The	4,184,125

S/No	Water Company	Description	Amount (Kshs)
		ownership documents of other 11 parcels of land were not provided.	
15.	Ngandori Water and Sanitation Company	Non-disclosure and valuation of water inventory held in water distribution infrastructure	3,484,206
16.	Naivasha Water and Sanitation Company Limited	Understatement of revenue as result of underbilling of exhauster services	2,972,500
17.	Nol-Turesh Loitokitok Water and Sanitation Company	Accuracy of customers deposit cannot be confirmed since the supporting schedules were not provided	2,754,697
18.	Olkalou Water and Sanitation Company Ltd	inventories balance of Kshs.1,110,377 excludes inventory of water in terms of volume of stock that had been produced, stored or held within the distribution infrastructure	1,110,377
19.	Nyandarua Water and Sanitation Company Ltd	Non-disclosure customer deposits for newly connected customers	859,500
20.	Limuru Water and Sewerage Co	Management did not value and disclose the value of opening and closing balance of water stocks held in the reservoirs, water treatment plants and in the water systems.	773,270
21.	Gusii Water and Sanitation Company	Variance of Kshs.252,836 in the statements of cashflows.	252,836
	Total		**1,787,547,594**

Appendix 24: Compliance with One Third Rule

S/No	Water Company	Description
1.	Meru Rural Water and Sanitation Company Limited	Failure to observe One Third of Basic Salary Payment Rule - 15 employees
2.	Mombasa Water and Sewerage Company	Officers Earning Below a Third of Basic Pay
3.	Nyahururu Water and Sanitation Company Ltd	ten (10) employees earned a net salary of less than a third (1/3) of the basic salary
4.	Thika Water and Sewerage Co	46 employees earned less than a third of their basic pay
5.	Gulf Water Services Company Limited	Appropriate and sufficient evidence not provided
6.	Kapsabet-Nandi Water Services Company	The Company was not in Compliance with the 1/3 minimum salary.
7.	Kilifi Mariakani Water and Sewerage Company	Compliance with the 1/3 minimum salary
8.	Murang'a West Water and Sanitation Company Limited	Management failed to Comply with the 1/3 minimum salary
9.	Muranga Water and Sanitation Company Ltd	50 employees were drawing net salary of less a third of basic salary

S/No	Water Company	Description
10.	Kyeni Water and Sanitation Company Limited	21 employees whose net pay was below a 1/3 of their basic pay
11.	Nairobi City Water and Sewerage Company	three hundred and eighty-one (381) officers overcommitted their basic salaries
12.	Ruiru Juja Water and Sewerage Co	Non-Compliance with the One-Third Rule Basic Salary
13.	Garissa Water and Sewerage Company Limited	37 employees earned less than a third pay

Appendix 25: Compliance with Law on 30% Ethnic Composition of Staff Establishment

S/No	Water Company	Description
1.	Cherang'any Marakwet Water and Sanitation Company Limited	All staff are from the dominant community
2.	Embe Water and Sanitation Company Limited	75% of the total number of staff were of the same ethnic community in the County
3.	Gatanga Community Water Scheme	89% of staff from dominant ethnic community
4.	Kiambu Water and Sewerage Co	60% of employees were from the dominant ethnic community
5.	Kwale Water and Sewerage Company	82% of staff are from the dominant ethnic community
6.	Lodwar Water and Sewerage Company	85% of staff are from the dominant ethnic community
7.	Mathira Water and Sanitation Company	92% of staff are from dominant ethnic community
8.	Meru Rural Water and Sanitation Company Limited	84 % of staff from dominant ethnic community
9.	Mwala Water and Sanitation Company	100% of actual establishment were all from the dominant ethnic community in the County
10.	Ngagaka Water and Sanitation Company Limited	97% of staff are from the same ethnic community
11.	Nyahururu Water and Sanitation Company Ltd	i.one hundred and thirty-nine (139) or ninety one percent (91%) were from the dominant ethnic community, with only about nine percent (9%) being from non-dominant ethnic community. ii. one hundred and fifty-two (152) employees consisting of one hundred and nine (109) or 72% as male and forty-three (43) employees or 28% as female
12.	Nzoia Water Service Company	75% of employees are from one ethnic community
13.	Samburu Water and Sanitation Company	82% of employees are from the dominant community.

S/No	Water Company	Description
14.	SIBO Water Company	89% of staff are from the dominant community
15.	SIBO Water Company	All of the 2 staff recruited are from the dominant community
16.	Thika Water and Sewerage Co	85% of staff are from the dominant community.
17.	Gulf Water Services Company Limited	22 employees out of 27 were from one community equivalent of 81%.
18.	Gulf Water Services Company Limited	Appropriate and sufficient evidence not provided
19.	Iten Tambach Water Company Ltd	The company did not have an approved establishment to guide on the recruitment and placement of staffs contrary to Section 2.1 of the Company HR policy manual. Further, the company had six (6) directors and forty-eight (48) employees serving on permanent, temporary and terms. All the staffs and the directors are from the same ethnic community.
20.	Kapsabet-Nandi Water Services Company	The Company was not in Compliance with the 30% Ethnic parity for new employees. Out of the 28 employees of the company, 25 employees were from the dominant community almost 89% contrary to Section 7(1) of National Cohesion and integration Act, 2018.
21.	Kilifi Mariakani Water and Sewerage Company	The company had 265 staffs out of which 215 were male equivalent of 81%. Only 50 staffs were female. Further, out of 265 staffs, 239(90%) were from one community.
22.	Kitui Water and Sanitation Company Limited	Compliance with the 30% ethnic balance National Cohesion for employees
23.	Mbooni Water and Sanitation Company Limited MBONWASCO	Company had a total of thirteen (13) employees who were all from the same community
24.	Municipal Council of Machakos Water and Sewerage Company Limited	Total employees were 62 which includes 56 staffs from one community approximately 90%.
25.	Murang'a West Water and Sanitation Company Limited	Dominant ethnicity employed in the month of June 2024 constitute of 89% (74 of 83 staff members).
26.	Murang'a West Water and Sanitation Company Limited	The company employed eight new staff during the year under audit. The dominant ethnic community employed by the County constituted 7 persons out of eleven which is equivalent of 88% of the new recruits
27.	Naromoru Water and Sanitation Company Ltd	Compliance with the 30% ethnic balance National Cohesion for employees
28.	Nol-Turesh Loitokitok Water and Sanitation Company	Thirty-three (33) out of fifty-two (52) equivalent of 52% are from one ethnic community
29.	Nyandarua Water and Sanitation Company Ltd	The company has seventy (70) employees out of which, sixty-five (65) are from one ethnic community. Compliance with the 30% ethnic balance National Cohesion for employees.
30.	Othaya Mukurweini Water and Sanitation Company Ltd	The total number of employees was one hundred and twenty-four (124) out of which one hundred and fifteen (115) or 93% are from one ethnic community.
31.	Tetu Aberdare Water and Sanitation Company Ltd	The company has 70 staffs out of which, 65 staffs or 96% of the staffs are from the dominant community.
32.	Yatta Water and Services Company	Compliance with the 30% ethnic balance National Cohesion for employees
33.	Bomet water and sanitation Company	168(99%) out of 199 employees were from dominant ethnic community

S/No	Water Company	Description
34.	Gatamathi Water and Sanitation Company Limited	58 out of 61 employees or 97% were from dominant ethnic community
35.	Githunguri Water and Sanitation Company	96 % of employees were from dominant ethnic community and 78% of employees were of male gender
36.	Migori County Water and Sanitation Company Limited	57% of employees were from one ethnic community
37.	Muranga Water and Sanitation Company Ltd	170 or 94% of all employees were from dominant ethnic community
38.	Nithi Water and Sanitation Company Limited	68 (89%) employees out of 76 were from dominant ethnic community and 52(68%) employees were of male gender
39.	Nithi Water and Sanitation Company Limited	Out of 86 members of staff, 71 or 83% were from dominant ethnic community
40.	Nyeri Water and Sanitation company	97% of employees were from dominant ethnic community
41.	Nyeri Water and Sanitation company	21 out of 24 or 88% employees recruited during the year under review were from dominant ethnic community
42.	Olkejuado Water and Sewerage Company	Out of 28 employees, 13 or 46% of staff were from dominant community
43.	Rukanga Water and Sanitation Company	14 out of 16 or 88% of employees were from dominant ethnic community. In addition, 12 or 75% of employees are of male gender.
44.	Tavevo Water and Sewerage Company	Out of 231 employees, 206 or 89% of staff were from dominant community
45.	Wote Water and Sanitation Company Limited	36 out of 37 or 97% of employees were from dominant ethnic community
46.	Embu Water and Sanitation Company Limited	employees' biodata report revealed that the Company had one hundred and forty-one (141) staff members out of which eighty-seven (87) staff members were form the dominant ethnic community representing 62%.
47.	Gatundu Water and Sanitation Company Limited	one hundred and forty-three (143) out of one hundred and forty-five (145) members of staff or 99% were from one (1) dominant ethnic community
48.	Homa Bay Water Services Company	one hundred and two (102), out of which ninety-seven (97) or 95% were members of the dominant community.
49.	Kericho Water and Sanitation Company Ltd	one hundred and sixty-three (163) employees out of which fifty-one (51) or thirty one percent (31% were female
50.	Kikuyu Water Company	ninety-seven (97) members of staff out of which 86% were from the dominant ethnic community
51.	Kirinyaga Water and Sanitation Company	one hundred and sixty-one (161) staff members out of which one hundred and forty-six (146) or 91% of the staff members are from the dominant ethnic community
52.	Kyeni Water and Sanitation Company Limited	twenty (20) or 80% are male and the remaining five (5) employees or 20% are female.
53.	Malindi Water and Sewerage Company	staff establishment of two hundred and sixteen (216) staff out of sixty seven percent (67%) of the staff population come from the dominant ethnic group
54.	Matungulu - Kangundo Water and Sewerage Company	the Company had a total of fourteen (14) employees who were all from the same ethnic community and

S/No	Water Company	Description
		none of the employees was a person living with disability
55.	Meru Water and Sewerage Company Limited	staff establishment of one hundred and thirteen (113) staff with more than ninety-two (92%) of the staff belonged to the dominant ethnic community.
56.	Murang'a South Water and Sanitation Company Ltd	174 out of which 166 or 95 % of the total number were members from dominant ethnic community in the county
57.	Nairobi City Water and Sewerage Company	48% of the total staff were from one ethnic community
58.	Nanyuki Water and Sanitation Company Ltd	one hundred and twenty-four (124) employees out of ninety-three (93) or approximately (75%) were from one (1) ethnic community.
59.	Ngandori Water and Sanitation Company Plc	nine staff at the level of management (job group 1-3)
60.	Nyanas Water and Sanitation Company Limited	i. the total number of employees were 26 out of which 20 or 77 % of the total number were members of the dominant ethnic community in the County. ii. total number of employees on the entity's payroll were twenty-six (26) out of which twenty (20) or 77 % of the total number were male
61.	Olkalou Water and Sanitation Company Ltd	i. dominant ethnic community constituted 86% (38 employees) out of the total population of 44. male gender constituted 75% (33 employees)
62.	Eldoret Water and Sewerage Company	266 out of 355 employees come from the dominant community representing 73%
63.	Kakamega County Water and Sanitation Company Limited.	80% of staff are from one community
64.	Karuri Water and Sanitation Company	90% of employees are from the dominant community
65.	Kisumu Water and Sewerage Company	85% of the 298 staff were from the dominant community

Appendix 26: Cash and Bank Balances as at 30 June, 2024

S/No	Water Company	Amount (Kshs)
1.	Nairobi City Water and Sewerage Company	338,424,822
2.	Nakuru Water and Sanitation Services Company	235,268,531
3.	Tavevo Water and Sewerage Company	196,275,617
4.	Ruiru Juja Water and Sewerage Co	182,783,886
5.	Mandera Water and Sewerage Company Limited	140,011,086
6.	Garissa Water and Sewerage Company Limited	123,887,260
7.	Malindi Water and Sewerage Company	114,381,773
8.	Kilifi Mariakani Water and Sewerage Company	111,295,967
9.	Kwale Water and Sewerage Company	105,327,536
10.	Kisumu Water and Sewerage Company	102,242,671

S/No	Water Company	Amount (Kshs)
11.	Nakuru Rural Water and Sanitation Company Ltd	100,702,705
12.	Eldoret Water and Sewerage Company	96,026,581
13.	Meru Water and Sewerage Company Limited	90,787,229
14.	Gatundu Water and Sanitation Company Limited	84,653,862
15.	Kakamega County Water and Sanitation Company Limited.	83,635,918
16.	Mombasa Water and Sewerage Company	74,695,463
17.	Naivasha Water and Sanitation Company Limited	73,250,009
18.	Thika Water and Sewerage Co	71,246,493
19.	Embu Water and Sanitation Company Limited	60,537,144
20.	Mathira Water and Sanitation Company	43,145,511
21.	Murang'a West Water and Sanitation Company Limited	41,380,446
22.	Wajir Water and Sewerage Company Limited	39,134,782
23.	Olkejuado Water and Sewerage Company	38,593,021
24.	Nyeri Water and Sanitation company	35,660,878
25.	Gatamathi Water and Sanitation Company Limited	31,330,670
26.	Nithi Water and Sanitation Company Limited	31,330,670
27.	Murang'a South Water and Sanitation Company Ltd	30,906,041
28.	Nanyuki Water and Sanitation Company Ltd	29,059,476
29.	Othaya Mukurweini Water and Sanitation Company Ltd	28,897,012
30.	Kiambere Mwingi Water and Sanitation Company Limited	27,250,426
31.	Kibwezi Water and Sanitation Company Limited	26,196,851
32.	Kitui Water and Sanitation Company Limited	23,990,429
33.	Kirinyaga Water and Sanitation Company	23,833,409
34.	Gusii Water and Sanitation Company	17,595,498
35.	Githunguri Water and Sanitation Company	17,114,219
36.	Kericho Water and Sanitation Company Ltd	17,087,531
37.	Karuri Water and Sanitation Company	15,487,920
38.	SIBO Water Company	15,295,899
39.	Marsabit Water and Sewerage Company	14,104,858
40.	Lamu Water and Sewerage Company	14,040,149
41.	Kiambu Water and Sewerage Co	13,275,304
42.	Muranga Water and Sanitation Company Ltd	13,216,752
43.	Tetu Aberdare Water and Sanitation Company Ltd	12,856,611
44.	Kapsabet-Nandi Water Services Company	12,852,921
45.	Olkalou Water and Sanitation Company Ltd	12,260,787
46.	Meru Rural Water and Sanitation Company Limited	11,992,018
47.	Isiolo Water and Sewerage Company Limited	11,594,052
48.	Tana River Water and Sanitation Company	10,386,518

S/No	Water Company	Amount (Kshs)
49.	Wote Water and Sanitation Company Limited	9,698,846
50.	Kirandich Water Company	8,632,118
51.	Ngagaka Water and Sanitation Company Limited	7,665,611
52.	Kyeni Water and Sanitation Company Limited	6,812,992
53.	Nzoia Water Service Company	5,934,483
54.	Ngandori Water and Sanitation Company Plc	5,878,216
55.	Kikuyu Water Company	5,465,676
56.	Limuru Water and Sewerage Co	5,027,520
57.	Nyahururu Water and Sanitation Company Ltd	4,974,468
58.	Iten Tambach Water Company Ltd	3,555,133
59.	Gatanga Community Water Scheme	3,032,830
60.	Busia Water and Sewerage Services Company Limited	2,832,248
61.	Lodwar Water and Sewerage Company	2,637,976
62.	Bomet Water and Sanitation Company	2,539,092
63.	Amatsi Water Services Company Limited	2,495,078
64.	Rukanga Water and Sanitation Company	2,280,554
65.	Nyandarua Water and Sanitation Company Ltd	2,205,318
66.	Eldama Ravine Water and Sewerage Company Limited	2,155,264
67.	Oloolaiser Water and Sewerage Company	2,010,580
68.	Nol-Turesh Loitokitok Water and Sanitation Company	1,910,694
69.	Matungulu - Kangundo Water and Sewerage Company	1,780,378
70.	Kapenguria Water Company	1,665,016
71.	Migori County Water and Sanitation Company Limited	1,645,688
72.	Nyanas Water and Sanitation Company Limited	1,417,550
73.	Municipal Council of Machakos Water and Sewerage Company Limited	1,218,550
74.	Naromoru Water and Sanitation Company Ltd	461,400
75.	Cherang'any Marakwet Water and Sanitation Company Limited	447,481
76.	Samburu Water and Sanitation Company	432,734
77.	Elwak Water and Sewerage Company	294,637
78.	Embe Water and Sanitation Company Limited	271,034
79.	Gulf Water Services Company Limited	268,180
80.	Narok Water and Sanitation Company	179,600
81.	Kathiani Water and Sanitation Company Limited	152,977
82.	Mbooni Water and Sanitation Company Limited	136,729
83.	Yatta Water and Services Company	105,978
84.	Homa Bay Water Services Company	84,659
85.	Mwala Water and Sanitation Company	83,549
86.	Kakamega County Rural Water and Sanitation Company Limited.	40,062

S/No	Water Company	Amount (Kshs)
87.	Mavoko Water Company	0
	Total	**3,143,736,111**

Appendix 27: Loans and Borrowings as at 30 June, 2024

S/No	Water Company	Amount (Kshs)
1.	Malindi Water and Sewerage Company	1,370,920,994
2.	Eldoret Water and Sewerage Company	1,340,155,764
3.	Mombasa Water and Sewerage Company	1,162,995,894
4.	Kwale Water and Sewerage Company	1,151,018,337
5.	Kakamega County Water and Sanitation Company Limited.	408,678,432
6.	Nyeri Water and Sanitation company	356,280,667
7.	Kisumu Water and Sewerage Company	149,890,889
8.	Tavevo Water and Sewerage Company	129,397,816
9.	Nairobi City Water and Sewerage Company	68,519,554
10.	Thika Water and Sewerage Co	39,506,060
11.	Ngandori Water and Sanitation Company Plc	30,884,131
12.	Oloolaiser Water and Sewerage Company	15,988,810
13.	Mathira Water and Sanitation Company	12,822,054
14.	Naivasha Water and Sanitation Company Limited	12,751,807
15.	Murang'a South Water and Sanitation Company Ltd	11,843,457
16.	Nyahururu Water and Sanitation Company Ltd	10,442,280
17.	Embu Water and Sanitation Company Limited	7,376,990
18.	Kyeni Water and Sanitation Company Limited	2,930,956
19.	Karuri Water and Sanitation Company	2,100,000
20.	Nanyuki Water and Sanitation Company Ltd	1,792,404
21.	Kibwezi Water and Sanitation Company Limited	451,267

S/No	Water Company	Amount (Kshs)
22.	Rukanga Water and Sanitation Company	8,250
	Total	**6,286,756,813**

Appendix 28: Failure to Establish Audit Committees

S/No	Water Company
1.	Gatanga Community Water Scheme
2.	Kirandich Water Company
3.	Mwala Water and Sanitation Company
4.	Samburu Water and Sanitation Company
5.	Elwak Water and Sewerage Company
6.	Mbooni Water and Sanitation Company Limited
7.	Nakuru Rural Water and Sanitation Company Ltd
8.	Mandera Water and Sewerage Company Limited
9.	Wote Water and Sanitation Company Limited
10.	Eldama Ravine Water and Sewerage Company Limited
11.	Matungulu - Kangundo Water and Sewerage Company
12.	Nyanas Water and Sanitation Company Limited
13.	Tana River Water and Sanitation Company
14.	Garissa Water and Sewerage Company Limited

Appendix 29: Lack of Effective Internal Audit Function

S/No	Water Company
1.	Gatanga Community Water Scheme
2.	Kirandich Water Company
3.	Samburu Water and Sanitation Company
4.	Mbooni Water and Sanitation Company Limited
5.	Gatamathi Water and Sanitation Company Limited
6.	Narok Water and Sanitation Company
7.	Nithi Water and Sanitation Company Limited
8.	Olkejuado Water and Sewerage Company
9.	Rukanga Water and Sanitation Company
10.	Wote Water and Sanitation Company Limited

S/No	Water Company
11.	Eldama Ravine Water and Sewerage Company Limited
12.	Nyanas Water and Sanitation Company Limited
13.	Tana River Water and Sanitation Company
14.	Garissa Water and Sewerage Company Limited

Appendix 30: Lack of Risk Management Policies

S/No	Water Company
1.	Kakamega County Rural Water and Sanitation Company Limited.
2.	Kirandich Water Company
3.	Lodwar Water and Sewerage Company Ltd
4.	Busia Water and Sewerage Services Company Limited
5.	Gulf Water Services Company Limited
6.	Iten Tambach Water Company Ltd
7.	Mbooni Water and Sanitation Company Limited
8.	Murang'a West Water and Sanitation Company Limited
9.	Nakuru Rural Water and Sanitation Company Ltd
10.	Nol-Turesh Loitokitok Water and Sanitation Company
11.	Kapenguria Water Company
12.	Mandera Water and Sewerage Company Limited
13.	Migori County Water and Sanitation Company Limited
14.	Narok Water and Sanitation Company
15.	Matungulu - Kangundo Water and Sewerage Company
16.	Nyanas Water and Sanitation Company Limited
17.	Tana River Water and Sanitation Company

Appendix 31: Weak ICT Policies and Controls

S/No	Water Company
1.	Kirandich Water Company
2.	Kwale Water and Sewerage Company
3.	Lodwar Water and Sewerage Company
4.	Busia Water and Sewerage Services Company Limited
5.	Gulf Water Services Company Limited
6.	Kitui Water and Sanitation Company Limited
7.	Mbooni Water and Sanitation Company Limited MBONWASCO

S/No	Water Company
8.	Yatta Water and Services Company
9.	Rukanga Water and Sanitation Company
10.	Wote Water and Sanitation Company Limited
11.	Nanyuki Water and Sanitation Company Ltd
12.	Amatsi Water Services Company Limited
13.	Kakamega County Water and Sanitation Company Limited.

Appendix 32: Other Issues Relating to Corporate Governance

S/No	Water Company	Description
1.	Embe Water and Sanitation Company Limited	Failure to carry out Board Evaluation
2.	Kiambu Water and Sewerage Co	The board is constituted of 4 members contrary to the minimum number prescribed in Mwongozo Code of Governance. No quorum for meetings
3.	Samburu Water and Sanitation Company	Non-gazettement of the board.
4.	Gulf Water Services Company Limited	Appropriate and sufficient evidence not provided
5.	Naivasha Water and Sanitation Company Limited	Directors' appointments were not supported with gazette notices. Appointment of directors with no academic qualifications
6.	Olkejuado Water and Sewerage Company	Failure to hold board meetings
7.	Wote Water and Sanitation Company Limited	Irregular recruitment of Board Member-the recruitment of the director representing business and manufacturing community was not supported by gazette notice
8.	Wajir Water and Sewerage Company Limited	Lack of Approved Staff Establishment and Scheme of Service
9.	Eldoret Water and Sewerage Company	Failure to carry out Board Performance Evaluation
10.	Gusii Water and Sanitation Company	Lack of a board work plan.
11.	Kakamega County Water and Sanitation Company Limited.	Failure to conduct governance audit

S/No	Water Company	Description
12.	Karuri Water and Sanitation Company	Irregularities in appointments, composition and operations of the board.

Appendix 33: Other Issues Relating to Internal Controls

S/No	Water Company	Description
1.	Cherang'any Marakwet Water and Sanitation Company Limited	Failure to establish Human Resource Policy and Procedure Manual
2.	Embe Water and Sanitation Company Limited	Weaknesses In Internal Controls in Water Connections - some customers' accounts were still active and customers still enjoying the water services with huge unpaid balances
3.	Kakamega County Rural Water and Sanitation Company Limited.	Lack of scheme of service
4.	Kiambu Water and Sewerage Co	Understaffed below establishment by 29 staff
5.	Kirandich Water Company	1.Lack of an approved staff establishment 2.Lack of debt management policy
6.	Lodwar Water and Sewerage Company	Lack of a disaster recovery plan
7.	Oloolaiser Water and Sewerage Company	Lack of a policy document for staff medical expenses
8.	SIBO Water Company	Incomplete assets management register
9.	Iten Tambach Water Company Ltd	Management had not promulgated a code of conduct for its employees and did not have an HR Policy and Procedure Manual.
10.	Marsabit Water and Sewerage Company (MARWASCO)	The company did not have an approved strategic plan in place contrary to Section 149(2)(g) and (h) of the PFM Act, 2012.
11.	Murang'a West Water and Sanitation Company Limited	The company had incomplete assets register
12.	Nakuru Rural Water and Sanitation Company Ltd	Lack of a climate change action plan
13.	Nyandarua Water and Sanitation Company Ltd	Staff under establishment operating below optimal level since it had a deficit of fifty-three (53) employees according to the staff establishment.
14.	Tetu Aberdare Water and Sanitation Company Ltd	The company salary structure that was used to pay Staff cost Kshs.35,250,641 was not approved by Salaries and Remuneration Commission as required by law.
15.	Bomet Water and Sanitation Company	The revenue is from 16,060 unmetered water connections
16.	Kapenguria Water Company	Poor preparation of payroll- Pay roll was not indicating personal employee details such date of birth, employment, KRA pin
17.	Kibwezi Water and Sanitation Company Limited	Provision for bad and doubtful debts without a bad debt policy
18.	Mandera Water and Sewerage Company Limited	long unsupported unpaid salaries relating to financial year 2015/2016 and operating without staff establishment policy
19.	Migori County Water and Sanitation Company Limited	failure to maintain water meter register

S/No	Water Company	Description
20.	Nithi Water and Sanitation Company Limited	Use of old water tarriffs-2014 approved tariffs
21.	Nyeri Water and Sanitation company	Failure to recruit and fill critical positions in the staff establishment
22.	Olkejuado Water and Sewerage Company	Lack of strategic plan
23.	Kikuyu Water Company	i. Weaknesses in Payroll and HR System Integration- not used for leave management, contract management, and staff records maintenance. ii. Payroll system and finance system are not integrated iii. New entries, promotions, or exits, are shared manually from the HR system to the payroll system using physical files, requiring manual updates in the payroll system iv. Manual Input of Earnings and Deductions v. Absence of Automated Annual Salary Increments vi. Weak Reporting Capabilities in HR System
24.	Kyeni Water and Sanitation Company Limited	Lack of Approved Staff Establishment
25.	Nyanas Water and Sanitation Company Limited	Non- Compliance with Treasury Circular on Maintenance of an Integrated HR System-Company maintains summary of payrolls and not integrated payroll products containing integrated details of specific and gross earnings for employees, details of specific payroll deductions and total deductions for employees
26.	Wajir Water and Sewerage Company Limited	i. Employee bio data did not include payroll numbers and job groups of the respective employees, ii. Monthly payrolls were prepared and maintained in MS Excel Worksheets. Iii. Salaries were paid in lumpsum as opposed to basic salary plus the applicable allowances as per the salaries and remuneration commission guidelines.
27.	Amatsi Water Services Company Limited	Lack of updated and complete asset register, Failure to maintain water meters register.

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