COUNTY GOVERNMENT OF KISUMU

COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – SECOND SESSION

Wednesday 20th September, 2023

House met in the Main Chamber at 9:00 a.m.

(The Temporary Speaker (Hon. Emily Oginga) in the Chair)

PRAYER

The Temporary Speaker (Hon. Oginga, Nominated Member): Leader of Majority, could you please confirm if we have the quorum.

The Leader of Majority (Hon. Ooko, MCA, Ahero Ward): Thank you Madam Speaker. Madam Speaker, there is quorum.

The Temporary Speaker (Hon. Oginga, Nominated Member): Madam Clerk, please take us through the Order Paper of today.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next order!!

MOTION

ADOPTION OF THE REPORT BY PIC/PAC COMMITTEE ON CONSIDERATION OF THE AUDITOR GENERAL'S REPORT ON FINANCIAL STATEMENTS F KIWASCO FOR THE YEAR 2020/2021

BY

HON. KENNEDY OUKO, MCA, WEST KISUMU WARD

(CHAIRPERSON, PUBLIC INVESTMENTS AND ACCOUNTS COMMITTEE)

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Hon. Kennedy Ouko.

Hon. Ouko (MCA, West Kisumu Ward): Hon. Speaker, on behalf of the Public Accounts and Investments Committee (PICPAC), and Pursuant to Kisumu County Assembly Standing Orders 188, I wish to present to this House the report of the Committee on the audited financial statements of Kisumu County Water and Sanitation Company Limited, financial year 2020/2021. The County Assembly exercises oversight over County Government entities/investments and their expenditure Pursuant to Article 185(3) of the Constitution of Kenya 2010, through the Public Accounts and Investments Committee which, in turn, derives its mandate from the County Assembly Standing Orders.

It's instructive that Article 229 (8) of the Constitution of Kenya, 2010, requires the County Assembly, within three months after receiving an audit report, to debate, consider the report and take appropriate action.

The Committee held 3 sittings during which it received both written and oral evidence from the Accounting Officer on audit queries raised by the Auditor-General on the financial statements of KIWASCO.

Honorable Speaker, I wish to register my appreciation to fellow Honorable Members of the Committee, the Offices of the Speaker and the Clerk of the Assembly, Committee Secretariat and the Office of the Auditor General for facilitation and technical support that made the production of this report possible.

I also thank the management of KIWASCO for honoring committee invitations and timely submission of responses.

Special appreciation goes to the Hansard department for ensuring that all our meetings with Accounting Officers are broadcasted live.

Honorable Speaker, on behalf of the Public Accounts and Investments Committee, I now wish to table the report on the consideration of the Auditor General's report on the Financial Statements of the Kisumu Water and Sanitation Company Limited for the year ended 30, June 2021 and urge this Honorable House to adopt it.

Establishment and Mandate of the Public Accounts and Investments Committee

Hon. Speaker, the Public Accounts and Investments Committee is established under Standing Order No. 188 of the Kisumu County Assembly Standing Orders and is mandated to undertake the following functions;

i). Examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the House as the committee may think fit;
ii). Examination of the working of the Public Investments
iii). Examine the reports and accounts of the Public Investments and,
iv). Examine in the context of the autonomy and efficiency of the public investments, whether the affairs of the public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices.

Composition of the Public Accounts and Investments Committee
The Committee as currently constituted comprises of the following Honorable Members,

Table 1: Committee Membership as at April 2023

	NAME	POSITION
	MEMBERS	
1.	Hon. Ken Ouko	Chairperson
2.	Hon. Geoffrey Warindu	Vice Chairperson
3.	Hon. Seth Okumu	Member
4.	Hon. Nancy Matara	Member
5.	Hon. Rueben Rakwach	Member
6.	Hon. James Were	Member
7.	Hon. James Omollo	Member
	SECRETARIAT	
1.	Austine Ochieng	Committee Clerk
2.	Chrispine Oguta	Clerk Assistant
3.	Patrick Okoyo	Hansard
4.	CPA Naboth Odero	Internal Auditor
5.	William Ogada	Seargent-at-arm

LEGAL FRAMEWORK & GUIDING PRINCIPLES

Legal Framework
Hon. Speaker, the Committee was guided by the following legal instruments;

1. Constitution of Kenya 2010: Article 229 (4) of the Constitution of Kenya, 2010 requires

the Auditor General, within a period of six months after the end of each financial year, to audit and report, in respect of that financial year, on;

i. The accounts of the National and County governments,
ii. The accounts of all funds and authorities of the National and County governments,
iii. Accounts of all courts,
iv. The accounts of every commission and independent office established by this constitution,
v. The accounts of National Assembly, the Senate and the county assemblies,
vi. The accounts of the political parties funded from the public funds,
vii. The public debt and
viii. The accounts of any other entity that legislation requires the Auditor General to Audit

Article 229(8) further states that "*within three months after receiving an audit report, parliament or county assembly shall debate and consider the report and take appropriate action".*

2. The Committee also relied on Article 226(5) of the Constitution of Kenya, 2010 which provides that if the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not.
3. Public Audit Act 2015; Section 7 of Public Audit Act 2015 that mandates the Auditor General to: (i) Give assurance on the effectiveness of internal controls, risk management and overall governance at National and County Government; (ii) Undertake audit activities in state organs and public entities to confirm whether or not public money has been applied lawfully and in an effective way
4. Public Finance Management Act, 2012: Section 149 (1) of the Public Finance Management Act, 2012 which states that "An accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is –
    a) (a) Lawful and authorized; and
    b) Effective, efficient, economical and transparent"

Guiding Principles

Hon. Speaker, in the execution of its mandate, the Committee was guided by core Constitutional and statutory principles on Public Finance Management.

These principles include the following;

1. Constitutional Principles on Public Finance: Article 201 of the Constitution of Kenya

2010 provides for fundamental principles aimed at guiding all aspects of Public Finance. It states that the principles are; inter alia;

i). Openness and Accountability including public participation in financial matters;
ii). Public money shall be used in a prudent and responsible way; and
iii). Financial management shall be responsible and fiscal reporting shall be clear.

2. Obligations of the Accounting officer;
   i). Article 262(2) of the Constitution of Kenya 2010 which provides that; The Accounting officer of a national public entity is accountable to the national assembly for its financial management, and the accounting officer of a county public entity is accountable to the county assembly for its financial management.
   ii). Section 149(1) of the Public Finance Management Act 2012 provides that; an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is; (i) Lawful and authorized and; and (ii) Effective, efficient and transparent
3. Direct Personal Liability: Article 226(5) of the Constitution is unequivocal that, if the holder of a Public Office or a political office, directs or approves the use of Public Funds contrary to the law or instruction, the person is liable for any loss arising from that use and shall make good, the loss, whether the person remains the office holder or not.

4. Section 203(1) of the Public Finance Management Act, 2012 enacts that; a public officer is personally liable for any loss sustained by a County Government and is attributed to; (i) The fraudulent or corrupt conduct, or negligence of the officer or, (ii) The officer's having done any act prohibited by Sections 196, 197, and 198

The Committee considered these legal provisions as the basis for holding accounting and public officers directly and personally liable for any loss of Public Funds that may occur under their watch.

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE KISUMU WATER AND SANITATION COMPANY LIMITED FOR THE YEAR ENDED 30, JUNE 2021

Hon. Speaker, Mr. Thomas Odongo, KIWASCO Managing Director and the Accounting Officer appeared before the Committee on 6th June 2023 at 10.00am to adduce evidence on the Audited Financial Statements of the Kisumu Water and Sanitation Company Limited for the year ended 30, June 2021 (The minutes and the submissions from the Accounting Officer are annexed to this report). The following officials accompanied him;

1. Nicholas Moseti – Head of Finance
2. Jason Ochola - Head Commercial

The following officers represented the Office of the Auditor General in the meeting of 6th June 2023;

1. Simon Ondigo -Head of Audit
2. Kennedy Ongoi – Deputy Director, Audit
3. Margaret Moronge – Principal Auditor

Basis for Qualified Opinion

2.2 Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.266, 509,028 and which includes additions during the year of Kshs.26, 849,851 as disclosed in note 10 to the financial statements. However, the asset register maintained by the company was not up to date. It did not include identification number of the asset, location of the asset, cost of each asset, depreciation rate, accumulated depreciation, depreciation charge for the year and book value of the asset among others. In the circumstance, the accuracy and completeness of property, plant and equipment balance of Kshs.266, 509,028 could not be confirmed.

Management Response

An updated detailed asset register was provided as requested by the auditors, a copy is hereby attached for your review and confirmation.

Committee Observations: Hon. Speaker, the Committee observed the following in regards to this audit query;

1. The Officers from the Office of the Auditor General confirmed that as at the time of committee deliberations, they had been provided with the updated asset register and the details of the assets had been verified.

Committee Recommendations

1. That this matter is resolved
2. That going forward, the management must adhere to the Public Finance Management Act, 2012, Section 149(2) (o) which requires an accounting Officer of a County Government entity to maintain an asset register that is current, accurate and available to the County Treasury or the Auditor General.

3. That going forward, the KIWASCO management must provide documents to the auditors as at the time of audit.

2.3 Provision for Bad Debts

Included in the figure of administrative expenses of Kshs.158, 955, 106 under note 26 to the financial statements is bad debts provision of Kshs.48, 986,667 owed by seven hundred and forty-seven (747) customers. The decision to provide for bad debts was recommended by the finance committee vide Min 2/22/09/2021 dated 22 September 2021. However, the management has not disclosed the basis for the provision given that the majority are schools. It has also not been indicated for how long the debts have been outstanding and the measures taken to have the debts collected. In addition, according to debtors' age analysis report, the provision included Kshs.573, 823.47 owed by customers whose accounts were less than 180 days old and management did not provide customer statements and demand notices to confirm that reasonable steps had been taken to recover each of the debts.

Management Response

Most of the accounts provisioned were public schools that were under the defunct Municipal Council of Kisumu. The debts have remained uncollected since the inauguration of the new constitution and the current budgetary allocation to these schools for bills (water) is not even sufficient to cover recurring bills. Despite several reminders, meetings, disconnections and outsource to external debt collectors, the schools are still not able to pay. The disconnections posed a health challenge during COVID-19 Pandemic and it was passed that debts be written-off including and as at the date of the W/O to enable schools get water and also avoid further loss of revenue. This was the basis of the write-off and the Board of directors agreed with this basis hence approval vide Min.2/22/09/2021 dated 22 September 2021. The minutes were presented and confirmed by the Audit team and copy can be availed.

The Kshs.573, 823.47 with debts of less than 180 days provided for write-off were as a result of standing charges and estimated bills on the disconnected accounts. These were due to challenges in the billing system and the only remedy was to write them off irrespective of the duration.

Committee Observations

1. The management as at the time of committee deliberations, had provided to the Office of the Auditor General, customer statements and demand notices to confirm that reasonable steps had been taken to recover the debts.
2. The management submitted the minutes to the Auditor General

Committee Recommendations

1. That this matter is resolved

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURSES.

3.1 Non-compliance with Public Sector Accounting Standards Board Requirements

In the audit report of the previous year, several issues were raised. However, management has not disclosed and resolved the issues or given satisfactory explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board (PSASB) template.

In the circumstances, the annual reports and financial statements are not PSASB compliant.

Management response

Management responded to all issues that were raised in the previous year as required during the opening meeting with the auditors and the explanations were captured in their own minutes. Also, KIWASCO has continually relied on the PSASB templates in the preparation and presentation of the financial statements and report. The new and reviewed templates had not been shared with the Management hence it was only sensible to use the previous template.

Committee observations

1. The Office of the Auditor General confirmed that the new and reviewed templates had not been shared with the Management of KIWASCO on time/as at the time they were preparing their financial statements
2. The Office of the Auditor General confirmed that in the subsequent financial statements, the management has applied the reviewed template by the PSAB

Committee Recommendations

1. That the matter is resolved

3.2 Register of Bank Accounts

It was noted during the audit that the company did not maintain a register of bank accounts. This is contrary to section 87(3) of the Public Finance Management (County Government) Regulations 2015 which requires each public entity to maintain a register of bank accounts. Although eight (8) accounts were disclosed in the financial statements, it has not been possible to confirm that those were the only accounts operated by the company. The company was therefore in breach of the law.

Management Response
The bank register is contained in Note 31 on page 25 of the financial statements and we confirm that those are the only bank accounts maintained by the company. Bank confirmation letters were provided by the different banks for audit confirmation. Your office can write to the same banks for confirmation. Copies of the bank confirmation letters and a detailed register is hereby attached in soft copy due to its size for your review.

Committee Observations
1. The Office of the Auditor General confirmed that in the subsequent year, the management has maintained an updated bank account register

Committee Recommendation
1. That the matter is resolved
2. That going forward, the management must adhere to section 87(3) of the Public Finance Management (county government) Regulations 2015 which require each public entity to maintain a register of bank accounts.

3.3 Non-compliance with the Law on Staff Ethnic Composition
Review of the company payroll revealed that out of the three hundred and twenty-seven (327) permanent employees, two hundred and seventy-six (276) or approximately 84% were from the dominant ethnic community. This is in contravention of section 7(1) & (2) of the National Cohesion and Integration Act 2008, which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, the management was therefore in contravention of the Law

Management Response
The company is making progress in managing the ethnicity aspects of staff which stood at 92 in 2019, 87% in 2020 for the dominant ethnic community respectively to the current 84% in 2021. When recruitments are being conducted and over 90% of interviewees are from the local dominant community then it goes without saying that there is a higher probability that the person recruited will be from majority ethnic group. In addition, recruitments are done based on competence and skills and not ethnicity. However, the company is progressively working on the above issues for future compliance.

Committee Observation
1. The management has made efforts towards compliance with the law on ethnic composition.

However, the threshold is yet to be met

Committee Recommendations

1. That going forward, the management should continue making efforts towards compliance with section 7(1) & (2) of the National Cohesion and Integration Act 2008
2. That the matter remains unresolved for as long as the threshold is not met

3.4 Non-compliance with the Law on Non-Revenue Water

During the year under review, the Company produced 9,915,691m3. However, a total of 6,842,992m3 was billed to customers resulting to Non-revenue water (NRW) of 3,072,699m3 or 31%. The allowable NRW rate according to the Water Services Regulatory Board (WASREB) guideline is 25% resulting to 6% over and above the allowable rate. Therefore, the unallowable rate of 6% representing 594,942m3 of water may have resulted to NRW loss estimates at Kshs. 17,848,244 at the rate of Kshs 30 M3. In the circumstances, management was in breach of law

Management Response

NRW is a global water sector concern and challenge with Kenya currently averaging 45%. The performance on the same for the year under review of 31% is above the industry target of 25% which is the ideal target that companies are required to strive to achieve. It is not a Law but an ideal standard as set by the regulator. KIWASCO has an old dilapidated water networks laid during the colonial times which continues to contribute to the high NRW. The company is continuously rehabilitating its water networks but limited by financial muscle, due to heavy investment needed to overhaul old networks. KIWASCO is currently working with various partners to help in containing NRW.

The NRW action plan below presents all activities and tasks to be conducted to manage and reduce NRW in line with the strategy:

Sensitize customers on their roles in leak detection and reporting

Conduct network pressure surveys to inform leak detection

Frequent meter servicing, testing and calibration.

Establishment of a reliable water balance at sub levels (DMAs) and re-prioritizing NRW actions based on results.

Design and establishment of DMAs for sustainable NRW reduction and management.

Establishment and implementing metering management.

Pressure management.

Leak Management.

Strengthening the institutional capacity on NRW Reduction and Management.

Committee Observations

1. That during the financial year 2020/2021, Non-Revenue Water was 31%, above the ideal standard of 25% set by the regulator
2. That the Management has put up an action plan to manage and reduce Non- Revenue Water

Committee Recommendations

1. That going forward, the management must put more efforts on ensuring that the Non-Revenue Water does not exceed the ideal standard of 25%
2. That the management must do more in sensitizing the public on their role in leaked detection and reporting

GENERAL OBSERVATIONS

Hon. Speaker, the following general observations were made;

1. That during the FY 2020/2021, the Management of KIWASCO had not maintained an updated, accurate and available asset register as required by Public Finance Management Act, 2012, Section 149(2) (o)
2. That during the FY 2020/2021, the management resolved to write off bad debts amounting to Kshs.48, 986,667. However, the management at the time of audit failed to provide to the Office of the Auditor General, customer statements and demand notices to confirm that reasonable steps had been taken to recover each of the debts. The same had been provided as at the time of committee deliberations
3. That during the FY 2020/2021, the management did not maintain an updated bank account register as required by Section 87(3) of the Public Finance Management (county government) Regulations 2015
4. That during the FY 2020/2021, despite making efforts to ensure compliance with the law on ethnic composition, the management was yet to meet the threshold set in Section 7(1) & (2) of the National Cohesion and Integration Act 2008, which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.
5. That during the financial year 2020/2021, Non-Revenue Water was 31%, above the ideal standard of 25% set by the regulator

GENERAL RECOMMENDATIONS

Hon. Speaker. The Committee recommends as follows;

1. That going forward, the management must continue making efforts to drive the entity towards achieving compliance with Section 7(1) & (2) of the National Cohesion and Integration Act 2008, which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.
2. That going forward, the management must adhere to section 87(3) of the Public Finance Management (county government) Regulations 2015 which requires each public entity to maintain a register of bank accounts
3. That going forward, the management must adhere to the Public Finance Management Act, 2015, Section 149(2) (o) which requires an accounting Officer of a County Government entity to maintain an asset register that is current, accurate and available to the County Treasury or the Auditor General.
4. That going forward, the management must put more efforts on ensuring that the Non-Revenue Water does not exceed the ideal standard of 25%

CONCLUSION

Hon. Speaker, I hereby request that this House adopts this report of the Public Accounts and Investments Committee on the consideration of the Auditor General's Report on the Financial Statements of the Kisumu Water and Sanitation Company Limited for the year ended 30, June 2021. May I call upon Hon. Geoffrey Warindo to second?

The Temporary Speaker (Hon. Oginga, Nominated Member): Hon. Warindo.

Hon. Warindo (MCA, Miwani Ward): Thank you Madam Speaker. I rise to second the motion on the floor and I would like to say that KIWASCO is one the most organized entities in Kisumu County. We really appreciate the effort and the work they are doing in supplying clean water to the residents of Kisumu County. If you look at most of the issue that were raised, a majority of them were resolved. We want to urge them that the recommendations put forward by the committee are implemented. Many a times, the recommendations are made and we consider them as story books.

Madam Speaker, if you look at Non-revenue Water and Bad Debts, I do not understand why there are schools that are mentioned and that they should be exempted from paying water bills. It is usually a norms, especially for a majority of Africans, that if you are consuming a service for free, then most likely you become careless in benefiting from the service. At least, there should be a charge so that services are consumed with care. If you look at the Register of Assets, each

company should have that register so that any audit should reflect what is taking place and get to know the exact position of the company.

Lately, KIWASCO is only working within the city. However, there are a number of places they can utilize the services of subsidiary companies to help us in collecting the revenues that can be generated from the use of water. I want to believe that they have started that and that they will spread this across the County. I beg to second. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Members, now that the Report by the Committee on Public Accounts and Investment on the consideration of the Report of the Auditor General on the Financial Statement of Kisumu Water and Sanitation Company Limited (KIWASCO) for the year ended 30th June, 2021 has been presented and seconded. As per our Standing Orders, I want to propose that the Report be the committee on Public Accounts and Investment on the consideration of the Report of the Auditor General on the Financial Statement of Kisumu Water and Sanitation Company Limited (KIWASCO) for the year ended 30th June, 2021 is open for debate.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Hon Nyaoke.

Hon Nyaoke (MCA, North Nyakach Ward): Thank you Madam Speaker. First, I would like to appreciate the committee that worked on this Report. This is one of the best reports Madam Speaker. I want to repeat, verbatim, the chairperson's forward at paragraph three. It says, it's instructive that Article 229 (8) of the Constitution of Kenya, 2010 requires the County Assembly, within three months, after receiving an Audit Report to debate, consider the report and take appropriate action.

Madam Speaker, what is before us is exactly what we are doing, Madam Speaker. Having looked at this report and the recommendations, and what was there previously. We have also seen responses that have come from Kisumu Water and Sanitation Company (KIWASCO)'s Accounting Officers. Even the observations that the committee made during the time they were going through that report. Madam Speaker, there are certain issues that involve meeting the threshold in terms of employment, ethnicity and inclusion in employment. It has been reported that ideally, the company is trying the much they can to balance and meet the threshold although it may not be as easy to meet the threshold because given the facts of the number of people who are applying. These are issues that when they advertise the vacancies, most of the people that are bound to apply are not necessarily going to come from outside this County.

Madam Speaker, sometimes it can also be beyond the reach of the company to source for people from outside the County to come and fill those positions. However, Madam Speaker, we have seen in the report that they are striving year in to make sure that they meet these particular requirements. Madam Speaker, I will only impress upon this much esteemed committee to ensure implementations and follow-up on the recommendations they have given. I am sure that if

they follow it up and have the company take up exactly what they observed and what the recommendations are about, then I do not believe that we will have discrepancies in the future as the ones we saw before. Thank you, Madam Speaker and I beg to implore upon the House to adopt this very report.

The Temporary Speaker (Hon. Oginga, Nominated Member): Hon. Mildred Ajumbo.

Hon. Ajumbo (MCA, West Seme Ward): Thank you, Madam Speaker. I stand to support the report that was done by the committee on Public Accounts and Public investment. I want to add my voice and say that they did a very good job. This is one of the best reports we have had giving KIWASCO a qualified opinion. When you look at some of the issues that were raised by the office of the Auditor General. One of the issues was on the Asset Register, and the need to keep an Asset Register. Sometimes you wonder that people are employed in companies and you wonder what is so difficult in maintaining an Asset Register. When the Auditor General has made it an issue, then we hope that this will be implemented going forward. KIWASCO would ensure that they keep updating the asset register. It is obvious that they cannot maintain a permanent register and keeps on changing. I also looked at the Auditor General's report on the Bank Accounts. That the company needs to adhere to the regulations, and going forward, we hope that they will adhere to report by the Auditor General.

Madam Speaker, I also want to talk on the ethnic composition of the company. I believe that the company has tried so far, and when I looked at the report of 2021, you realize that when recruitment is done, it is posted in the Nation newspapers and all the media houses. It is also done through the social media platforms such as Facebook App and the like. When the recruitment is done, the people who applied are the ones who are usually called for an interview. So, if you have out of maybe two hundred people and out of that, you find out that one hundred and ninety five people from Luo community applied and they were all qualified. Sometimes it becomes hard to pin down a company that it did not adhere to the ethnic composition yet this is based on competencies and skills. With that, I believe that the Kisumu Water and Sewerage Company (KIWASCO) is trying. That is because when you look at the report, the Auditor General has not given them a bad report; it still qualifies.

Finally, I look at the Non-revenue Water; THAT they do not adhere to the standards. It is my belief that when you look at the percentage, it is about twenty five per cent and the company (KIWASCO) had thirty one per cent. So, they just went beyond by six per cent. To me I believe it is not bad. That is because, when you look at the water systems that were done in the colonial days, some of them are dilapidated. Therefore, even them going by six per cent, I would say that it is job they did quite well. So far so good and we hope that for the KIWASCO on those few areas going forward, they will be able to rectify. Thank you, Madam Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Reuben Rakwach.

Hon. Rakwach (MCA, Kolwa East Ward): Thank you, Madam Speaker. I also want to support this report from the committee of PIC/ PAC. First, I wish to appreciate this committee for a good job which has been done promptly, very elaborate and also to appreciate the management of KIWASCO. They are also doing a good job. They are providing members of the public with clean water. In addition, whenever they are called upon to come to the Assembly, they always do it with zeal. Hon. Speaker, some of the issues that were raised by the office of the Auditor General just came as a result of lack of provision of documents on time. That is because, they were raised and after the documents were availed from KIWASCO, then these matters were resolved. So I wish to encourage the management of KIWASCO to be providing their documents in time and I think that one will make us avoid very many queries from the office of the Auditor General.

Madam Speaker, on the same note, on compliance with the law on Ethnic Composition in public entity like KIWASCO, I want to agree that they have really tried to reduce it from where it stood at ninety two per cent to now slightly more than eighty per cent. Just as most of my colleagues have stated here. Recruitment is done on competent and skills and not on ethnicity. So, normally, I know these cadres will always be advertised and then the requirements or qualifications will also be indicated. Only those who feel that they are up to the task and have the qualifications will apply. Even if you are the recruiting officer, you will only interview those who have shown interest. It is not a matter of poaching. If at all they were allowed to poach, then I know they may have complied with this law and ethnic composition. So, it is my belief that here we should not put a lot of pressure and also being a Luo, who are also the majority and dominant in the area, I will not put a lot of force because I am happy when Luos get jobs, but when we put a lot of force, then the management may get out of their way and start getting people from other ethnic communities and that will also rob us as politicians and representatives of the people on the shoulders and we may start scrutinizing how they are doing their recruitment. So let us encourage the management to continue with the good job that they have been doing.

Madam Speaker, on the Non-revenue Water; they have tried their best and I believe that we as the representative of the people, we should also sensitize the public so that they be reporting the leakages in the pipeline so that we don't lose a lot of water. Sometimes, there is a tendency when there is a leakage, members of the public will just continue fetching the water, they will not notify the management of KIWASCO or rather the agents so that they can stop the leakages for us to limit on non-revenue water and I believe that this is the main contributor of these non-revenue water to the percentages where it stands. If we can sensitize our people then I think this can reduce to even below 10% otherwise, Madam Speaker support the report thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Hon. K'Omudho.

Hon. K'Omudho (MCA, Muhoroni Koru Ward): Madam Speaker and Honorable members. With due respect and going by the mood of the House, I want to call the mover to reply. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Hon. Kennedy Ouko.

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Hon. Ouko (MCA, West Kisumu Ward): Thank you Madam Speaker. We are so much encouraged as the committee of PIC/PAC. This is not only a committee of the seven but a committee of the House and whatever resolutions that we are going to make here is going to make an impact for the whole country and the nation at large.

Madam Speaker and Honourable Members, many of you have very positive recommendations and patting on the back which is very important for us and actually is creating some kind of energy in to our work.

Now, I have to respond to some issues as concerning the charges; actually we were considering recommending waivers for schools. You can remember, before the 2010 Constitution, the schools within municipalities were being controlled by the Municipal Council and these were like our babies. The company which was providing water to schools was KIWASCO by then. Now in 2010, the company realized that they had a lot of debts and this could not help as explained when we were reading the report. This is actually what informed that decision. Although in the near future, we have recommended that we have to get a proper proof that these debts had to be waivered where necessary.

Madam Speaker and Honourable Members, we have another issue which is called Non-revenue Water which is also a concern. Actually we applaud KIWASCO for the kind of job they have been doing. The difference is actually small but we still encourage them to do better on that. All our recommendations are anchored in law. Everything must be guided by law when we are in the PIC/PAC committee meetings. We have statutory documents like the PFM Act and the County Regulations which guide us. So it is very important for the Members to be aware that whatever we are doing we must do it according to the law.

Madam Speaker and Honourable Members, when it comes to implementation, we have the Implementation committee and I expected the Chairperson of that committee to be here so that they can see what is to be implemented. But a case where we are doing this very important report and the Chairperson of that committee is not there then that is absurd. We need these recommendations to be implemented.

Madam Speaker, you have realized that most of the issues with KIWASCO were all administrative unlike some other reports where we have of financial misappropriations. We

therefore applaud KIWASCO for giving us easy work and we encourage entities to emulate from KIWASCO. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Members, now that the report by the PIC/PAC committee on the consideration of the Auditor General's report on Financial Statements of KIWASCO for FY 2020/2021 has been moved, seconded and debated upon, I therefore want to put a question on the adoption of the same.

(Question put and agreed to)

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Members, the report by the PIC/PAC committee on the consideration of the Auditor General's report on Financial Statements of KIWASCO for FY 2020/2021 is hereby adopted today 20th September, 2023 at 10.00 a.m. I therefore direct that the report together with the Hansard report be submitted to the relevant departments for purposes of implementation.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next Order!!

ADJOURNMENT

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Members, there being no any other business to transact, the House stands adjourned to 20th September, 2023 at 2.30 p.m.

(House rose at 10.01 a.m.)

The Hansard Team

Zablon Otiende – Senior Hansard Reporter (Ag. Editor)

Edward Odanga – Hansard Reporter

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