



COUNTY GOVERNMENT OF MAKUENI

MAKUENI COUNTY ASSEMBLY

OFFICIAL REPORT

Second County Assembly – Second Session

Wednesday, 21st February, 2018

(The House met at 2.30 p.m.)

[The Speaker (Hon. Douglas Mbilu) in the Chair]

PRAYERS

MOTION

The Speaker (Hon. Douglas Mbilu): Chairperson Public Investments and Accounts Committee.

KIBWEZI/MAKINDU WATER AND SANITATION COMPANY FINANCIAL STATEMENTS

The Member for Kitise/Kithuki Ward (Hon. Kelvin Mutuku): Thank you Mr. Speaker. I beg to move the following Motion: -

THAT, pursuant to the provisions of Article 229 (8) of the Constitution of Kenya 2010, this Assembly resolves to adopt the Report of the County Public Investments and Accounts Committee on the consideration of the Report of the Auditor General on the financial statements of Kibwezi/Makindu Water and Sanitation Company for the year ended 30th June, 2016 laid on the Table of the Assembly on Tuesday February 20th, 2018 at 2.30p.m.

On behalf of the Members of the County Assembly Public Investments and Accounts

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Committee, I wish to present the Report on the consideration of the Report of the Auditor General on Financial Statements of Kibwezi-Makindu Water and Sanitation Company for the Year ended 30 June, 2016 for adoption in the Assembly. The Auditor General is mandated under Article 229(4) (a) of the Constitution of Kenya, 2010 to audit and report on the accounts of the National and County Governments within six months after the end of each financial year. Article 229 (8) stipulates that, '*Within three months after receiving an Audit Report, Parliament or the County Assembly shall debate and consider the report and take appropriate action*'.

The Report of the Auditor General on the Financial Statements of Kibwezi-Makindu Water and Sanitation Company for the Year ended 30 June, 2016 was tabled by Hon. Elizabeth Kawembe Mutinda on 28th September, 2017. It was then committed to the Select Committee on County Public Investments and Accounts for interrogation and examination after which the Committee was to give a Report to be tabled in the House, within the stipulated three months period.

The procedure of Select Committees is covered under the Standing Order No. 199 to 206. The Committee has powers, under the provisions of Articles 125 and 195 of the Constitution of Kenya 2010, Section 18 (1) of the County Assemblies Powers and Privileges Act, 2017 which gives the Committee powers to order any person to appear before the Committee and to give evidence or to produce any paper, book, record or document in their possession or under their control. The Committee is also mandated by The Public Audit Act, 2015 to summon witnesses examine them on oath and receive evidence.

The Auditor General in his findings found Kibwezi-Makindu Water and Sanitation Company financial position to be an Adverse Opinion. However, the financial statements were found to represent a true fair view except for the six following key findings which this Committee has interrogated and sought evidence of the management as listed below;

1. Late submission of financial statements
2. Accuracy of the financial statements
3. Going concern
4. Customer deposits
5. Kenya Revenue Authority (KRA) penalties
6. Unaccounted For Water (UFW)

On other matters, there were issues on budgetary control and performance and internal audit.

The County Public Investments and Accounts Committee embarked on a vigorous exercise to interrogate the Report through the following methodologies which resulted to the production of this Report;

- i) Inviting a representative of the Auditor General to interrogate the report with the Committee from 10th to 12th November, 2017.
- ii) Inviting the Accounting Officer mentioned in the Audit report to appear before the Committee to provide evidence regarding the report.

The Committee was able to interrogate the Accounting Officer and diligently scrutinized the availed responses from the officer. The Committee then retreated on 12th to 16th December, 2017 for the report writing exercise.

The Committee made the following observations;

- i) The Managing Director appeared reluctant and unwilling to provide relevant information to the Committee for examination.
- ii) Generally, there was poor management of the Water Company.
- iii) There was no genuine effort by the Water Company to stop the leakages on loss incurred through Non-Revenue Water (NRW).
- iv) The Committee found out, that the Company was non-tax compliant.

The Committee faced several challenges during the interrogation of the report;

- i) The Accounting Officer did not take time to respond to the Committee on the audit issues sufficiently.
- ii) The inability of some Members to be present at sittings basically due to the tight schedule of other committees which was an internal challenge and which we were able to handle.

The Committee recommends that;

- i) The Ethics and Anti-Corruption Commission (EACC) conducts a lifestyle audit of the employees of the Company to ascertain whether fraud or corruption and other illicit activities such as misappropriation of public funds were involved.
- ii) The Company carries out a competitive recruitment of a substantive Managing Director and a competent management team.
- iii) The County Department of Water and Irrigation Services should supervise the administration and delivery of water in the County by all the Water Companies.
- iv) The Managing Director and the Management team be individually investigated by the Ethics and Anti-Corruption Commission for their roles in some of the financial improprieties and irregularities at the Water Company and be held culpable for any loss occasioned by such action or actions.

Mr. Speaker I wish to go to the basis of the opinion and the findings and recommendations of each and every audit queries so that this House understands.

One, there was late submission of financial statements. According to the Report of the Auditor General on Kibwezi-Makindu Water and Sanitation Company Limited for the year ended 30 June, 2016, it was indicated that the Company breached the law on financial reporting for public entities, in that it submitted its financial statements to the Auditor General for audit on 17 January, 2017, four months after the statutory deadline of 30 September, 2017, contrary to the Public Audit Act, 2015 and the Public Finance Management Act, 2012. Section 47 of the Public Audit Act, 2015 and Section 164 of the Public Finance Management Act, 2012, requires that the Accounting Officer presents for audit purpose all financial statements to the Auditor General within three months after the end of each financial year. In this case it was supposed to be the 30th September and it was presented on the 17th January; four months later.

This is the response that we got from the Accounting Officer. The Committee heard that, the entity submitted her financial statements late. The Accounting Officer stated that he ought to have ensured that proper books of accounts were maintained by the organization and that the financial statements prepared reflected a true and fair view of the organization's operations. The Committee heard that the Company had managed to comply with the provisions in respect of the FY 2016/2017 and assured the Committee of compliance going forward. The Committee took the Accounting Officer to task and sought explanation on the delay; the witness responded by stating that the Company did not have a modern accounting system but rather depended on a manual system.

The Committee found out that;

- i) The Company submitted her financial statements four months late after the stated statutory deadline of 30 September, 2016.
- ii) The Accounting Officer was in breach of Section 164(1) of the Public Finance Management Act, 2012 on annual reporting.
- iii) There was lack of commitment to respond to the audit findings raised by the Auditor General.
- iv) The Accounting Officer did not sufficiently respond on why the Company submitted her financial statements late.
- v) The Company's accounting system was manual in nature.
- vi) The Finance Manager appeared to be incompetent and unprepared with the requirements of his job.

Therefore the Committee recommends that;

- i) The Accounting Officer should annually submit the Company's financial statements to the Auditor General as required by Section 164(1) of the Public Finance Management Act, 2012 on annual reporting by Accounting Officers.
- ii) The Company should explain on the steps taken to comply with Sections 164(1) of the Public Finance Management Act, 2012 within 30 days after the adoption of the report.
- iii) The Accounting Officer should take full responsibility for being in breach of Sections 164 and 47 of the Public Finance Management Act, 2012, and the Public Audit Act, 2015 respectively.
- iv) The Company undertakes a competitive recruitment process of the Managing Director and the management team.

Two, accuracy of the financial statements. In the Audit Report, the Auditor General could not confirm the accuracy of the financial statements as at 30 June, 2016. The Company's financial statements reflected inaccuracies in both the opening balances and the balances for the year under review. The variances between the financial statements and the balances reflected in supporting schedules resulted to unexplained variances that resulted into a net understatement of the financial statements by Kshs.4,891,179.00 as at 30th June, 2016. On the variances between closing and the opening balances, the unexplained variances led to a net over statement of the financial statement balances by kshs.548, 612 as at 30 June, 2016.

This is what the Accounting Office had to say. The Company had earlier submitted to the Office of the Auditor General schedules clearing the variances which were never adopted. The Company promised to purchase modern accounting software to adequately solve the inaccuracy problem and integrate billing and procurement software with the accounting software to ensure balances are correctly picked. He explained that, the figures were revised in the financial statements submitted but the Auditor General did not adopt the statement as amended. The Accounting Officer undertook to forward the Management Letter to the office of the County Assembly Clerk by Monday 4th December, 2017, but he submitted a draft report instead which did not meet the Committee's expectations.

The Committee found out that,

- i) The variances of Kshs.4,891,179 on the financial statements and Kshs.548,612 on closing and opening balances could not be confirmed and were unjustifiable.
- ii) There was possible misappropriation of public funds by the management.
- iii) The Accounting Officer produced a draft report not a management letter as had been requested by the Committee.

Therefore, the Committee recommends that;

- i) The Office of the Ethics and Anti-Corruption Commission should investigate the Finance Manager for the inaccuracies in financial reporting and suitability to hold such office and consequently recommend appropriate action if found culpable of malpractices, including recommendations for de-registration from professional bodies.
- ii) The Auditor General conducts a forensic Audit on the Water Company.
- iii) The Ethics and Anti-Corruption Commission to investigate the matter and the lifestyle audit done to the management team.

Three, going concern. The Auditor General stated that, the Company's financial position is uncertain and its continued existence as a going concern is dependent upon continued support from the County Government and creditors. The Auditor General stated that the current liabilities balance of Kshs.39,614,638 as at 30 June, 2016 exceeded the current assets balance of Kshs.28,759,158 resulting to a negative working capital balance of Kshs.10, 855, 480, which indicated that the Company was experiencing financial difficulties in settling maturing obligations. The Company's liquidity shortfall may have been the cause of the Kshs.1,479,812 increase in trade and other payables balance from Kshs.21, 037,640 as at 30 June, 2015 to Kshs.22,535,452 as at June, 2016. This is a concern that means very soon the Company will close down

This is the response that we got from the Accounting Officer. The Committee heard that, the Water and Sanitation Program (WSP) has a negative net working which raises concerns on the Company's going concern. The Accounting Officer stated that the WSP operated on a non-cost recovery tariff after the new tariff was challenged in the Water Appeals Board (WAB).The Water and Sanitation Program (WSP) re-applied another tariff in 2014 which dragged for a long time. A team of managers was constituted to revisit the matter and re-submit the same to (Tanathi) and further to WASREB for fresh consideration. Early in 2017, the team finalized with the new application data and the same was forwarded to TAWSB and to WASREB simultaneously. In less than three months after the submission, WASREB invited the WSP and the TAWSB representative for data verification. On 17th October, 2017 WASREB wrote to the Company recommending on a new tariff that required the company to hold a public consultation meeting pursuant to Section 139 of the Water Act, 2016. A special Board meeting was convened to adopt the proposed new tariff before commencement of the other processes.

The Company placed a notice in the Daily Nation and Kenya Gazette on 10th November, 2017, vide Gazette Notice number 11054 of 10th November, 2017. On 10th,11th, and 12th November, 2017 the public notice for regular tariff review in the interest of consumer protection was aired on the Musyi FM and uploaded the detailed recommended tariff on the WSP's website in compliance with the WASREB directions detailed in their letter dated 17th October, 2017 with ref

No.WASREB/TARRIF/003Vol.XIV (23). The Company expected the process to be concluded by 14th December, 2017 and send the report to WASREB for final processing and further gazettelement of the new tariffs.

The Company anticipated that, upon the gazettelement of the new tariff and subsequent implementation it will enable the Company raise sufficient revenue to cater for the payment of creditors and maintain sufficient net working capital. The Company also needed County subsidy particularly on power bills payment which had been a burden to the Company. He further informed Members that the Company is a merger of the Kibwezi-Mtito Andei Water and Sewerage Company Limited and the Makindu Water and Sewerage Company Limited whereby they inherited a lot of liabilities from the original companies.

The Committee found out that;

- i) There was poor management of the Water Company.
- ii) The Company made loss during the period under review.
- iii) The Company was found to have more liabilities than assets.

The Committee recommends that;

- i) The water tariffs should be revised as soon as possible to raise more revenue for the Company.
- ii) The Managing Director and the management team should step aside to pave way for investigation.
- iii) The County Department of Water and Irrigation Services should supervise the administration and delivery of water in the County by all the Water Companies.

Audit query number four; customer deposits. The Auditor General noted that the financial statements reflected a customer deposit balance of Kshs.9,484,800 as at 30 June, 2016 which was at variance with corresponding deposit account bank balance of Kshs.2,858,023 by Kshs.6,626,777. No reasonable explanation was provided by management for the overstatement of the financial statement balance by kshs.6,626,777. In addition, customer deposits supporting schedules reflected an aggregate balance of Kshs.3,058,500 leading to variance of Kshs.6,426,300 between the financial statements balance and the respective schedules balance. The Auditor General was unable to confirm that the customer deposits balance of Kshs.9,484,800 as at 30 June, 2016 was fairly stated.

This is how they responded to that. The Committee heard tha, the variance was as a result of borrowing from the customer deposit account money to cater for operational expenses and purchase of assets but had not been refunded to the account. The management had come up with payback plan and consistently refunded

the money back to the customer deposit account over a reasonable period. On why the customer deposit was spent without authority, the Committee heard that, the Board approved the spending of the customer deposits.

Committee findings;

- i) The Committee found out that Kshs 6,626,777.00 customer deposits was irregularly withdrawn and could not ascertain on how it was spent.
- ii) The Committee found out that Kshs.6,426,300.00 on customer deposits was withdrawn and no supporting schedules was availed to confirm the same.
- iii) The Committee found out that there was no evidence from the Broad authorizing withdrawal of customer deposits.

The Committee recommends that;

- i) The Managing Director takes full responsibility for authorizing irregular withdrawal of customer deposits amounting to Kshs.6, 626,777.00.
- ii) The disbandment of the Board of Management for resolving to allow the irregular withdrawal of customer deposits.
- iii) The Managing Director and the Management team be individually investigated by the Ethics and Anti-Corruption Commission for their roles in some of the financial improprieties and irregularities at the Water Company and be held culpable for any loss occasioned by such action or actions.

Audit query number five was the Kenya Revenue Authority (KRA) penalties. The Auditor General noted that in the other operating expenses balance of Kshs.2, 387,501 was Kshs.1,024,594 for KRA (penalties). The penalties were in respect of Director's allowances which were not taxed at the time of payments, Value Added Tax (VAT) and withholding Income Tax which were not deducted as per the Income Tax Act. No reasons were provided as to why the tax was not paid on time. He further stated that in the circumstance the propriety of the expenditure and value for money for the expenditure of Kshs 1, 024,594 as at 30 June, 2016 could not be ascertained. These are KRA penalties that were paid due to non-compliance.

This is the response. The Committee heard that, the anomaly had since been corrected and the necessary taxes for all incomes paid to Directors were taxed at 30% as per the Act. The Committee noted that the negligence of not remitting the taxes led to lose of company revenue. The Witness admitted the negligence and has since complied by remitting the taxes to KRA.

Committee findings;

- i) The Committee found out that the Company lost Kshs.1,024,594.00 for KRA penalties due to negligence of the Finance Manager for not remitting the taxes to Kenya Revenue Authority.
- ii) The Committee found out that the Company had poor internal control systems. The Committee therefore recommends that;
 - i) The Managing Director should immediately effect recovery measures on the unnecessary expense of Kshs.1, 024,594.00 paid to Kenya Revenue Authority as penalties occasioned by the negligence of the Finance Manager and be paid within 90 days after the adoption of the report.
 - ii) The Company should always comply with the tax law.

Six, unaccounted for water (UFW). The Auditor General noted that during the year under review, the company produced 1,181,600 cubic meters (m³) of water. However, only 786,308 cubic meters (m³) of water was billed to customers. The balance of 330,322(m³) or approximately 28% of the total volume represented unaccounted for Water(UFW) and was thus higher than the allowable ratio of 25% prescribed under the Water Services Regulatory Board guidelines. The UFW resulted in loss of potential revenue estimated at Kshs.22,599,519 at prevailing rates. The high volume of UFW impacted on the company's profitability and long-term sustainability of its operations negatively.

This is what they had to say. The Committee heard that, during the year the WSP incurred a non-revenue water NRW of 28% which was 3% above the allowable 25%. The Committee was informed that the Company inherited a very old and dilapidated water system part of which had been run by communities before the enactment of the Water Act, 2002. The communities that run the Company had interfered with the systems to a greater extent. It had been a great challenge to inspect and restore. However; the Company made some effort and had attached to the new water tariffs a Non-Revenue Water (NRW) reduction plan which included;

- i) Installation of zonal master meters followed by geographical mapping. Rapid repairs response team was in place to carry out repairs along trunk mains, on revenue water team was in place targeting control of technical and commercial losses within the reticulation systems and non-functional master meter would be replaced.
- ii) The tank most prone to overflow (i.e. Kibwezi pumping station) had been taken care of by replacement of a malfunctioning inlet sluice valve, while the tank's float valve was targeted for replacement.
- iii) Bursts on the trunk mains were mainly due to wild game (elephants) damages and rarely due to pressure since there is only limited pressure had along the

gravity mains. Exposed pipeline sections within the Kibwezi forest volcanic lava area were being earth covered and some concrete surrounded.

- iv) Regular line patrols were in practice by the rapid repairs response team.
- v) Work plans for zonal distribution systems installation were being prepared which would help replace the existing spaghetti direct tapping from the distributions mains.

The Committee heard that, the meters that they had been using were not calibrated and posed a big challenge as they had no direct control over them.

Committee findings are as follows:-

- i) The Committee could not establish any genuine effort by the Water Company to stop the leakages on loss incurred through Non-Revenue Water (NRW).
- ii) The Committee found out that, the 28% of the Unaccounted for Water (UFW) was high by 3% above the allowable ratio of 25% provided for by the Water Services Regulatory Board guidelines.

Committee recommends that;

The Committee on Water, Irrigation Services and Environment Management takes up the matter and ensure that the following Non-Revenue Water (NRW) reduction plans by the Water Company are fully implemented;

- i) Installation of zonal master meters followed by geographical mapping which entails; repairs along trunk mains by the Rapid Repairs response team, the control of technical and commercial losses within the reticulation systems by the Non-Revenue water team and replacing a Non-functional master meter.
- ii) Replacement of the tank's float valve at Kibwezi pumping station.
- iii) The bursts on the trunk mains which are majorly caused by wild game (elephants) and the exposed pipeline sections within the Kibwezi forest volcanic lava area should be earth covered and some concrete surrounded.
- iv) The rapid response team should carry out regular line patrols.
- v) The Company should prepare work plans for zonal distribution systems installation which would help replace the existing spaghetti direct tapping from the distributions mains.

Other matter. The Auditor General noted that, under performance of the Company mainly on budget deficit and under collection of revenue did not make basis for issuance of an adverse opinion. However, the Auditor General highlighted on these matters in order to draw the attention of the user lest it forms basis for giving audit opinion in the subsequent financial years.

1. Budgetary control and performance

The Auditor General noted that, the Company's revenue and expenditure budget was Kshs.87,687,450 and Kshs.89,792,007 respectively, resulting in a budget deficit of Kshs.2,104,557 as at 30th June, 2016. Out of the company's budgeted revenue of Kshs.87,687,450 only Kshs.65,994,639 was collected resulting into an under collection of Kshs.21,692,811. Further, out of the budgeted expenditure of Kshs.89,792,007 only Kshs.64,501,816 was spent translating to an under expenditure of Kshs.25,290,192. The Company budgeted to collect revenue totaling to Kshs 87,687,450 but spent Kshs 89,792,007 during the year resulting into a budget deficit of Kshs.2,104,557. The Company did not provide documents or explanations to show how the deficit would be financed.

The response was that the Company prepares budget based on growth projections and financial support from both National and County Government. The Committee also heard that, when the targets were not met it became impossible to implement the budget fully. The following challenges occasioned that; regular tariff adjustment, the Company based its revenue projection on the approval of the proposed tariff which did not happen, and dwindling water sources, the water sources were constantly reducing their production. This had hampered the Company's ability to adequately serve and grow the connections hence impacting on the revenue growth. Old dilapidated system, operating the current network was very costly and also prone to bursts that made the Company lose the little water being produced in the name of Non-Revenue Water. Global warming had greatly affected the water levels at their only two water sources that are Umanyi Springs and Kwa-Venge Spring in Makindu. Population growth has also led to encroachment resulting into interference with the water sources.

These are the Committee findings on that matter;

- i) The Committee found out that, the Company was losing a lot of water through Non-Revenue Water and was operating on an old dilapidated system.
- ii) The Committee found out that, the Company's water sources were diminishing as a result of encroachment of the water sources.

The Committee therefore recommends that;

- i) The Company carries out repairs along the main water trunks to minimize losses occasioned by leakages on the water pipes.
- ii) The Company should work with the local community and make use of the Catchment Area Advisory Committee (CAAC) and Water Resource Users Association (WRUA) for better management of the catchment water resources.

2. Internal Audit

The Auditor General noted that during the year ended 30th June, 2016, the Company did not have a functional Internal Audit Department contrary to the requirement of the Public Finance Management Act, 2012. This was a breach of Section 155 of the Public Finance Management Act, 2012.

This is what they said. The Committee heard that, the Company was making plans to fill the position of the Internal Audit.

Committee findings;

- i) The Committee found out that, the Company did not have an Internal Audit Department.
- ii) The Company was in breach of Section 155 of the Public Finance Management Act, 2012 for not having an internal Audit Department.

Therefore, the Committee recommends that the Company complies with the provisions of Section 155 of the Public Finance Management Act, 2012, by establishing an internal Audit Department.

Mr. Speaker the observations that follow there, the challenges and recommendations are the ones that I read earlier. Therefore, Members can find attached copy of the Auditor General's report on the financial statements of the Kibwezi/Makindu Water and Sanitation Company. You can also find a copy of the responses that we received and the Committee's minutes on the adoption of the Report.

I wish to further state that this is an Adverse Opinion and as I stated this morning an adverse opinion means that nothing is right. By saying this I mean the financial statements are wrong and there are also issues that are eating into the company. Worst of all that the Committee found to have been quite serious was that the one, the financial statements were not right and two, that this company was a going concern. This means that in the near future if the losses are not minimized and the company does not put in necessary efforts to ensure that the company lasts further, you will find that the company will just collapse within a very short period of time because what we are experiencing everyday are losses and liabilities that the company is unable to pay.

With those few remarks I wish to urge this House to adopt this Report. We did all we could and we have further recommended that some of the things that they had promised to do may not be achieved unless they are supervised and that is why we recommended that the Committee on Water, Irrigation and Environment takes up some of the implementation of the proposals that they had. With that, I wish to rest my case and invite the Vice Chairperson of the Committee who is also the Member

for Kithungo/ Kitundu Ward; Hon. Kisungi wa Katete to second the Motion. Thank you Mr. Speaker.

The Speaker (Hon. Douglas Mbilu): Member for Kithungo/Kitundu.

The Minority Leader (Hon. Kisungi wa Katete): Thank you Mr. Speaker sir for opportunity. I stand to second the Motion on the Committee's Report on the Kibwezi/Makindu Water and Sewerage Company. I thank my Chairperson who has put the Motion rolling in a nice way. I want to state in this House that here we are dealing with a bigger animal than what we had in the morning. Bigger in what sense? One, Kibwezi/Makindu Water and Sewerage Company is a very big company which is serving a very huge population of this County. It spans all the way from Makindu and Mtito Andei and we know the expanse of that company and its impact on the people of Makueni. This company was merged from two companies that is the Makindu Water Company and Kibwezi Water Company. Fortunately for this company they have some water which is flowing to the Company's facilities through gravity. This means their operation cost is a bit reduced compared to if they were pumping. They are operating several lines through gravity. My expectations from this is that this company should be making a lot of profits.

Let us come to the real issues. When they start eating on the customer deposits what does this mean? That the profits we are expecting as the residents of Makueni are not being made by this Company and that this money which is supposed to be collected as revenue is probably being diverted by none other than the management of that company. I want to state here that when the company is operating on loss; what my Chairperson called the going concern, it means we are about to close this company. Why? Because they are operating at loss. If they do not subsidies from other sources, it means they will not be able to supply water to a very big percentage of the population of Makueni County. Why? We are saying this company is being poorly managed. Our Committee found out that the company cannot submit simple documents of accounting within the stipulated time. When a company passes that stipulated time by over four months and these people are employed to work there from morning till evening, what does this mean? That they are busy doing other things other than serving the people of Makindu, Kibwezi and Mtito Andei. There is no excuse whatsoever even in this Assembly. Even where I work in my office there is no excuse whatsoever not to submit a report within the stipulated time unless you give a reason and there must be a viable reason. We found that there was no reason why this company could not submit these reports.

Two, somebody lied to the Committee that they got permission from the Board of Directors to withdraw customer deposits. When we are talking of customer deposits we are talking of more than Kshs. 6million which has been withdrawn and there is no

evidence of how the money has been withdrawn and what it was spend on. Kshs. 6million is not a joke. That authority to withdraw that they talked of was not given to the Committee. The Committee was not given a document to show there was a board meeting that authorized because we could now be on the necks of the Board of Directors seeking to know why the customer deposits were being withdrawn. Customer deposits means it is a security for the customer. The customer deposits were withdrawn irregularly and that is our point.

When it comes to penalties, you find another way of punishing the people of Makueni by giving KRA over one million Kenya shillings in penalties. Why? This is because KRA just required some surrender of documents on what they have been doing. I think we have done a lot of returns to KRA and we know this. When KRA puts a penalty of over one million means somebody is sleeping on the job. This company was established just as the other Company long time ago. We know the Company has been running. How comes the Company did not have an Internal Audit department? Internal audit is for internal controls. For example, if a voucher is emanating to make a payment for some merchants, who looks at that document and makes an internal control before the external auditors come? What would be of interest by the management not to include an internal auditor in their system or organogram? Simple, it is that they want to have loophole where they can do a lot of ills to the people of Makueni.

Next, when we talk we talk of unaccounted for water always, these are the reasons we are given. That this system is old, dilapidated and it should be overhauled. That is the explanation. I have been there with the Committee on Water and we saw that the pipes are functional. What is required is for this company to use its monies prudently and probably cover the part of that pipe which is exposed to the elephants along the Umanyi forest. They have made some efforts to do the covering but it seems they only do that simple covering when there is an emergency. This money which is being diverted probably to other things we do not know why can it not be used to cover the pipe all the way from the springs to the road. Then, somebody also tells you that this unaccounted-for water was occasioned by a broken float valve. When you go to your cistern in the toilet there is that ball valve. This ball valve is the one they are saying was broken at the tank. Those guys who know that tank near Mombasa road, that particular ball valve is called a float valve. What they are saying is that the tank could fill and water could pour from that tank without control because it cannot close automatically.

In this Report, you can see even up to today they have not procured that float valve. I am wondering what is the cost of that float valve? How much does it cost? Does it mean that we should lose so much water because of a float valve which might cost about Kshs.30,000? Again, I say this is an issue of management. Last but not the least, we happen to have a report which is an unqualified opinion. We wondered what

is happening to our water companies. Could it be that we are being harsh to these companies and we got a report from Nyeri Water and Sewerage Company which is unqualified. Unqualified means these guys have no issue. They are making a lot of profits and investing that profit back to the community. They putting up new lines going to the community. Why are they making money?

I compared that company with Kibwezi/Makindu Sewerage Company and found that they are benefitting from gravity water and many other things and even the County Government is not investing in them. They are just making profits and benefitting the people of Nyeri. Why? Because there is an issue of management in that company. The managing director of Nyeri water and Sewerage Company is actually overworking to make that Company viable. It is too unfortunate that about the unaccounted for water the company even explained that they have not calibrated their meters and what they do is to go to Nyeri use their calibration machine to calibrate a few meters. Calibration means if one meter cubed is passing through that meter it is read as one meter cubed and not more so it is another way of losing revenue because you can supply more water than what is read on the meter. Nyeri purchase the calibration machine which can cost about half a million for their people. Our Company cannot even pay for WARMA which is paid at fifty cent per meter cubed and cannot also purchase that machine. Generally, here we are dealing with a company which should be dissolved in my opinion ---

The Speaker (Hon. Douglas Mbilu): Order Vice Chairperson. You are presenting to Members who are not engineers and they may wonder whether water is measured in centimeters and meters just as I am concerned.

The Minority Leader (Hon. Kisungi wa Katete): Thank you Mr. Speaker Sir. I am trying to simplify as much as I can.

The Speaker (Hon. Douglas Mbilu): A water meter cubed. You are executing a report in the interest of Members to understand the technical language in a simpler way.

The Minority Leader (Hon. Kisungi wa Katete): **Thank you Mr. Speaker.** I think I may explain a little. This meters are usually calibrated in meters cubed. A meter cubed is a 3D thing. 3D means in three dimensions. One meter, one meter, one meter. I think you get that so thank you.

The Speaker (Hon. Douglas Mbilu): Equivalent to how many liters

The Minority Leader (Hon. Kisungi wa Katete): It is equivalent to a thousand liters of water.

The Speaker (Hon. Douglas Mbilu): Proceed.

The Minority Leader (Hon. Kisungi wa Katete): Equivalent to two thousand bottles of the water we are drinking. Generally, what I am saying is that with this Company we have an issue of Management. Management is the biggest issue here and our promise to the people of Makueni is to give them the best and one of the best we can give them is water. How does water come? The water comes out of prudent management of our water companies. We have not even got to Mbooni Water Company which did not even have anything to be audited and that is where I come from.

(Laughter)

The Minority Leader (Hon. Kisungi wa Katete): We are saying in Makueni the only two companies which could be audited were audited and the reports we are getting are like this one. What is happening? People of Makueni will continue suffering. Some few days ago I was called by a committee at my place. They wanted me to send them two thousand shillings so that they can purchase some spare parts for a diesel engine and I wondered they sell water but where does the money go. If we move all the way through Mavindini, through Muvau, through Kathonzweni everywhere you will find there are so many water sources which require management and this part of management has actually escaped us as a people. Has actually escaped this County Government of Makueni and the ECM has never brought anything to us. We have been here for six months or even to the Committee on Water to ask what can we do. Do we have a paper, a proposal, and a concept on how to manage these things because to some extent this Report actually shows how Makueni is managing its domestic water. Therefore, in Makueni we can say we are just behind. We are just behind. We have always tried to be number one in so many things but this time around in water we are failing because we cannot deliver to our people domestic water. The issue of domestic water is that we are investing in these facilities without actually investing in the management. My proposal as I conclude is that we should think of the way to make these companies work and the way to make these managements work and the first step is to start by recruiting competent managers, competent finance managers, competent technical team and of course having Boards which are willing to oversight the Managing Director. My last concluding remark is that with this kind of a Report I think this House should pass this Report as it recommends surgery on this company so that the people of Makindu, Kibwezi and Mtito Andei can get better services as residents of Makueni. I rest my case and second. Thank you.

(Question proposed)

The Speaker (Hon. Douglas Mbilu): The Floor is open for debate. Member for Thange.

The Member for Thange Ward (Hon. Nicholas Maitha): Thank you Mr. Speaker for this opportunity. I stand here to support this Motion and I wish to make some remarks on the same. First of all I want to inform this House that this Company KIMAWASCO the biggest part of it actually runs through my Ward. Most of the water that is consumed by this Company comes from my Ward in a place known as Umanyi and as much as we want to say that we have problems with water in Makueni we must also agree and make this as a general assumption that we really have a problem with most of our water companies in the County. When I was going through the Board of Management and their qualifications I see most of them have Degrees and only a few have certificates. I also went to the management team, we have the MD, he is a person I know and has a Diploma in Water Supplies, we have the Technical Officer who is a Manager a man by the name Mzungu and he is somebody I know, then we have the Finance Manager Mr. Joseph Musembi. All these are people well known to me and to most of us here.

I must say that when we look at these guys we actually see people that can do very well for this company, we see people that can do well for Makueni County but when we go to the details it really worries me what these very able, by looking, men and women cannot deliver to this company that is within Makueni County. Let me thank the Chairperson for PAC and the Deputy Chairperson who is also my Chairperson for Water Committee for they have really done a good report and what I would propose and urge Hon. Members is that we adopt this Report as it is so that we see whether we can have an overhaul of the total management of this company and the other company that we mentioned in the morning. A company that cannot pay tax, that has exists for over the last fifteen years and is not able to submit its books of accounts, is not able to pay tax, can even not clearly show how it has spent money, a company that can irregularly withdraw customer deposits up to the tune of Kshs.6.6 million I feel is not a committed team. I will propose that we do the much we can to see whether we can do away with this kind of Company and as the County Government to see whether we can put in place a more competent team that can deliver so that as the Governor says every time, we can find a way of doing away with the problem of water in the County.

There are issues about the mains trunks being destroyed by elephants but I would wish to say this may not be true because most of the trunks right from the main Mombasa -Nairobi road at a place known as BP Kibwezi all the way to Umanyi which is almost ten kilometers, I have been there, most of them are metallic. I will not believe that the elephants can easily tamper with them but every time we have the problems of water along that trunk up to Mtito Andei anytime we call these people they tell us elephants have vandalized the systems. Sometimes I tend to believe that it is a kind of scapegoat for these people. The other issue is about overflow of the

tanks. The Deputy Chairperson PAC has indicated that there is a tank just by the road at a place known as BP in Kibwezi and many of the times when I have passed there because I usually spend some time there I do not think we have any overflows of these tanks. I think it is something made up to prove that the unaccounted for water has gone up to 28% instead of normal 25%.

For information we are losing more than twenty two million out of this unaccounted for water. Sometimes these guys can use these monies, it is a lot of money, and they assume that the waters have been lost through leakages or bursts and they assume that it is very normal for the 25% since it is provided for. I think it is important that we get a good team and maybe we have people that are very close to inspect the monitor so that these people do not steal from the people, do not steal from the community and do not steal from Makueni County. Finally, it is my humble request that we adopt this Report and I strictly urge Hon. Members that we pass this Report and immediately see what we can do about these people. If they are to be arrested, charged or surcharged let us do the most important thing we can do to these people so that we have a very good management team that will provide water for our people and have very good managerial skills. Thank you Mr. Speaker and I support.

The Speaker (Hon. Douglas Mbilu): Member for Makindu Ward coming from that area.

The Member for Makindu Ward (Hon. Alfred Kalunde): Thank you Mr. Speaker sir for this opportunity to contribute. I stand to support the Report. When I stood in the morning discussing the report on WOWASCO I said that we expect worse reports that would come to this House considering the management of our waters in Makueni and especially from this company that serves our people in Makindu and parts of Kibwezi East and basically Kibwezi West. I am very worried because this company has not managed to provide water for my people let alone Kibwezi and areas of Mtito Andei and it has not been easy dealing with management of the Company. This morning as I was coming, we drove in the same car with Hon. Kalunda from Kikumbulyu South Ward and Hon. Mulwa from Mtito Andei Ward and I met the Chairperson for a community water project called Kai Water Project. He made a comment that we should ensure that we either disband the management of this KIMAWASCO or we all together disband it or as Makindu people ask for a divorce from KIMAWASCO to MAWASCO so that we can easily manage our issues of water in Makindu.

What do you expect of a company that has had a management from 2011? It is around seven years, those are many years and you do not expect such a management Committee to oversight this company. I also expect as Hon. Members that are being served by this Company apart from the consequences that will come out of this

Report upon being implemented by the Implementation Committee we meet with management and agree on the way forward before you come in as a House to put proper measures. The Hon. MCA for Nguumo Ward, Mtito Andei, Kikumbulyu North and South Ward and Thange Ward may be we would find a way of meeting the management Committee and also the Managing Director (MD) so that they can explain to us because our people are directly involved. A company that cannot account for 28% of the water that is being pumped that is higher than the 25% allowed by WASREB is a big issue. More liabilities and assets with a difference of Kshs.10.9 million? Hon. Members we cannot allow this as representatives of the people from Makueni County.

Lastly Hon. Speaker, I am also looking at the Committee recommendations on page 13 (i) as we get close to the end of the page. The Committee has recommended the water tariffs to be revised as soon as possible to raise more revenue for the company. I do not think it should be so because we had a meeting around a month ago in Kibwezi town with the water users in Makindu, Kibwezi, Mtito Andei and Thange and they strongly opposed the rising of water tariffs. You know there are normal charges that come when you have a tap, you have to pay the normal charges even you did not receive water. They call them standing charges I think it is around two hundred shillings. When we rise these tariffs it means that you are going to get KIMAWASCO charging our people four hundred or so shillings when they are not provided water for the whole month. I live around the intake for Makindu, in fact I am not more than two kilometers from the intake and in my own home I cannot receive water for over three weeks and at times I tend to send people to fetch water for me and it shows lack of commitment. I must also say that I have a relative that is serving in this Committee and I am here saying we must disband this Committee once and for all and we get a proper Committee that can ensure water is served to the people of Makindu, Kibwezi and Thange.

KIMAWASCO and by extension WARMA is allowing people to dig and have boreholes closer to the water sources in Makindu the place called Kwa Nthenge. Personally, I lead the team from Makindu and other community service providers to KIMAWASCO and WARMA to oppose the same. We had a Public Participation forum in the same area I think a week ago when we were in Mombasa and maybe that explains why I got a little bit late in Mombasa.

(Laughter)

The Member for Makindu Ward (Hon. Alfred Kalunde): We agreed that KIMAWASCO and WARMA must stop punishing our people by allowing foreigners as far as Indians to come and have boreholes closer, 100 meters or less than 100 meters from the intake and that can explain the lower levels of water we are getting at Kwa

Nthenge. Therefore, I am expect KIMAWASCO to be serious in these areas because Makindu is a dry area. Kibwezi generally is a dry area. I was trying to converse with one Hon. Member here and he was telling that the tariffs in Kibwezi are lower than the tariffs in Wote. You cannot equate the people of Kibwezi with the people of Makueni with all due respect. Go to Kibwezi, go to Makindu show me one farmer who got single sack of maize, none. Come to Wote, you will find people with their mangoes, farmers have already gotten maize and beans. In the future I am going to introduce a Bill that is going to help us as Wards that have a high levels of poverty to ensure that we have an Equalization Fund. You cannot equate Mbooni with Kitise with all due respect.

Therefore, this Government, KIMAWASCO, WARMA and the Assembly, we must ensure that we have the proper systems of ensuring that Wards that have high levels of poverty are equated with the other Wards that at least people get something to eat. In Makindu we are striving to eat and like now one jerry can of 20 liters is going for Kshs.50. For heaven's sake our people are going to buy water other than going to buy food. In Makindu if you place one sack of maize here and one jerry can of water, they will take the water first. Therefore, I simply say I support the adoption of the Report and the Implementation Committee should move with speed through the Hon. Chairperson; the Hon. Kalunda. Thank you Mr. Speaker.

The Speaker (Hon. Douglas Mbilu): The Member for Makindu, you cannot instruct the Implementation Committee because the Motion has not been passed and the Speaker has not given directions.

The Member for Makindu Ward (Hon. Alfred Kituku): Mr. Speaker I am guided. I am getting too emotional because of my people.

The Speaker (Hon. Douglas Mbilu): Just plead with the Members to pass this Motion and if so directed then you wish the Committee on Implementation does a, b, c and d.

The Member for Makindu Ward (Hon. Alfred Kituku): As you say Hon. Speaker. Thank you Hon. Members, let us ensure we pass this Motion and ensure that KIMAWASCO does the best for our people and we do justice to the people of Makindu, Kibwezi and these other areas are being served by this company. Thank you.

The Speaker (Hon. Douglas Mbilu): Member from Kikumbulyu North from Kibwezi West. I must use the word Kibwezi because the Report has a name called Kibwezi.

The Member for Kikumbulyu North (Hon. Jackson Mbalu): Thank you Mr. Speaker. I support this Motion. It is very sad that we are singing the same song of

mismanagement. We were elected here to represent our people. We must do our work quite right with the oversight role played well. We must see that we relieve those who are failing this County of the duties they are holding so that we bring new brains. There is no way we are going to sit down with this Company. The Company had its time, they have been given time to work and from the Report it is very clear they have failed. What do we need to resuscitate them for? We need to bring in new brooms that can sweep well and employ people who can bring water to our people. The Governor was elected by people of Makueni and likewise these Hon. Members were elected and one of the promises was to bring water. If we are not going to sweep this water issues then most Members here will not be able to face the electorate and that we are supposed to be able to cut clearly and radically so that we remove any tissue that is not living. We leave only the part that is bleeding because it can be able to grow.

There is no way we are going to allow members who are using these companies to enrich themselves. We should be able to have audit reports on lifestyle. There is no way we are going to employ people only to buy new cars and while our mamas are suffering due to lack of water. We cannot stand this. We must be bold enough as legislators to ensure we can point out where the problem is without fear. We can be able to clearly send home the teams that are not working because we if do not send them home, then our people will send us home. Therefore, as I listen to this Report, it pains me. I mean these people are not working. They are just working out to collect money. They allow water to overflow and get wasted because through such they can be able to sell that amount of water that nobody can audit. If you allow water to overflow and it is lost, nobody can tell which was lost and which one was sold. Therefore, there is corruption going on and we must be able to call a spade, a spade. There is no way we are going to use a different name. Hon. Members we are not going to sit down with this team. This team we are going to recommend that they go home and the County Government should take the responsibility of giving water to its people. If these companies are not working, why should we go through that because the Governor was elected by the people of Makueni. I was elected by the people of Makueni. Therefore, I want to see water flowing in Kikumbulyu North because that is where I was elected. I want to see a new broom sweeping. KIMAWASCO has failed. This audit report is very clear. They are not able to pay taxes. They want to raise the water charges. For what? To increase money in their pockets because they are not supplying water. They are not even able to pay water to WARMA. WARMA cut water when one of the contractors was trying to work out on a project and we are not able to go on like this.

Therefore, my people are sad about this. If you go to Kikumbulyu North people are walking more than 30 kilometers. Sincerely, how are we going to be crying here? We

must have sharp weapons to cut and send some groups home because that is our work. I am recommending that we do not need to sit down here, we just pass this Motion, give it to implementation and they move forward and implement what we agree because we are not going to keep circling and allowing corrupt members yet they have collected a lot of money. For how long are we going to do this? When you listen to revenue collection in Makueni it is low. It is a song which is sang every day. For how long are we going to sing about the same things? We should get the Minister on the spot and tell her if you cannot set targets and achieve then you should be the first to go if not so get those guys going. If they do not get the target sack them. Why are playing games here? We must be able to set clear lines and signals such that results will come.

For this KIMAWASCO, we must send this Managing Director and the Board of Directors home because they have failed to supply water to our people and that is the way to go. We will send the right signals even to those in revenue collection who are failing to meet the targets. I am saddened because they have not been given targets. You go to Kibwezi; there is a lot of money in Kibwezi town. You should give targets to those people who are there. Go to Emali, set a target, if they are not able to get these targets, then that is one thing the performance contracts should be able to say. If we do not take them to task, we are failing. It is sad when Makueni is scoring in several areas yet we are being taken back by water and revenue collection. We must move as legislators and do our oversight work. Those who are not working we remove them. We have many qualified people who can work. It is not a game we are going to play. Therefore, since we are faced by voters who brought us here, we must provide water. We have to tell the Governor he must take control of this water. We are going to work and get rid of the Companies which is not working. The Governor must take the bull by its horns and supply water, provide water to its people because that is what we are facing now.

In August last year the Governor was in Kikumbulyu North and he was accompanied by the Minister who was acting by then and he told my people in two weeks there will be water. When the President talks I expect his Ministers to keep running to make sure the words of the President remain. But what do the Ministers do. They do not even come down to tell people the promise you were given we are experiencing a, b, c, d problems. They are up elsewhere yet everyday people are asking me the Governor said two weeks last year in August how many more months? Who is supposed to be protecting these words? It is the Minister but they are nowhere to be seen. Mr. Speaker sir we must take action against Ministers who are not working. The Ministers who are letting down the Government of Makueni we must put them on the spotlight. They must be seen in the field answering those questions to the citizens of the County because they expect answers because the Governor said two weeks. I do

not have to call the Governor to come but the Governor is represented by the Ministers. The Minister's must be on the ground explaining why there is no water six months later. If they are not going to do that then the Implementation Committee should do its work, impeach and I am not going to keep repeating. We want action in this House. We must be respected by that. If we are not going to act then we will just look like those companies. With those few remarks I am supporting this and I am insisting we must send them home packing. Thank you.

The Speaker (Hon. Douglas Mbilu): Member for Ukia.

The Member for Ukia Ward (Hon. Japheth Katumo): Thank you Mr. Speaker for the opportunity. I am a Member of the Public Investments and Accounts Committee and I stand to support this Motion. Looking at the basis of the Adverse Opinion of this report on late submission of financial statements, the Public Management and Finance Act is very clear that financial statements should be submitted by 30th of September every financial year. In this case there was a blatant breach or violation of the law and it is a serious offence for one to violate the law. The financial statements were submitted sometimes around five or six months later which was wrong. On the accuracy of financial statements, when you look at the opening balances and also balances of the year under review it shows that there were variances amounting to around Kshs.4.8 million which shows that what is happening in this company was embezzlement of public funds. On the issue of going concern, the Auditor says that this company can only survive on the mercy of the County Government of Makueni in the sense of supporting it financially or being supported by creditors which should not be the case. This company I understand inherited very good infrastructure and by now it should stand by itself. It should not be standing on the mercy of donors and other partners.

On customer deposits we know that customer deposits should not be touched at any time but in this case we are seeing that around Kshs.6 million is missing from the bank statements which is also another great concern. On the issue of Kenya Revenue Authority penalties, this shows negligence of the highest order in the sense that this people were not remitting or they were not taxing the allowances of the Directors plus VAT and also other taxes which should be submitted. On that, these people should not be let to walk scot free. On the issue of unaccounted water 28% is beyond the 25% allowable. 28% means water went in to waste or it did not bring revenue to this company. Looking at that it amounts to Kshs.22 million and this is not a simple amount. Therefore, the prayers that I am sending to this House is that can we pass this Report the way it is. That will pave way for these Directors to go home and bring on board Directors who will be serving the interests of Kibwezi West and Kibwezi East and not their interests. Thank you.

The Speaker (Hon. Douglas Mbilu): Member for Masongaleni Ward.

The Deputy Majority Leader (Hon. Richard Munywoki): Thank you Mr. Speaker for giving me this chance. I stand to support the Motion the way it is. This is the company that serves my people and I want to tell you for sure taps have gone dry for several years. As we are talking here some of my people are seated elsewhere talking about water because of the management team. It has not been able to serve us the way they are supposed to serve us. Going by the Report submitted today, I want to congratulate the team because they have done comprehensive work. For sure if I had to summarize this Report, it shows clearly that the company has perfected embezzling funds than providing the services they are supposed to be providing to their clients.

Mr. Speaker sir, if they can have the guts to go and withdraw deposits of their clients what are they doing? Surely, this is serious and this Board needs to be shown its doors without mincing a word. One day we met with the Managing Director and when I suggested we meet all those who have connections because we have had problems, some people have been getting water and others had not been getting water in my area, he did not want to meet the clients. He wants to stay in the office and this shows clearly why he did not want to meet the clients. It shows he was concentrating with his fellow members to perfect how they are going to steal the little funds which are available. Surely I support this Motion 100% to be acted upon as fast as possible and make sure that that team is removed because if it is not then this company will die because it is at the edge of dying. This morning we were dealing with a cow now we are dealing with an elephant. I do not know where we shall be tomorrow. Mr. Speaker sir I support.

(Laughter)

The Speaker (Hon. Douglas Mbilu): Hon. Elizabeth Mutindi.

Hon. Elizabeth Kiio: Thank you Mr. Speaker. I stand to support the adoption of this Report. This is the first company that is trying to prove that money is volatile, something that can evaporate. In my class of chemistry money was not mentioned anywhere as evaporating like methylated spirit. Money is evaporating from the account. When I used to run my small kiosk I expected to find the closing stock when I close at 7:00 p.m. to be the opening stock when I open at 6:00a.m in the morning but this is not the case here. The only explanation is that robbery has happened in this County and somebody must pay for this loss. It is very sad that water as a Department gets a very big allocation in terms of funds. It is the highest allocation because of the kind of need that this County has. This County needs water but the kind of officers that we are dealing with in this Departments do not seem to get the seriousness of the matter. It is very sad and something needs to be done.

When I look at the percentages that we are losing in unaccounted for water of 28 % even the 25% we cannot afford. The allowable 25% is already too much for a County like ours. These Officers are just proving that they are not serious at all. The management that has been in place since 2011 when I look at credentials these are qualified people who can do a lot for this company but they are not interested. They are not in the business of making profits and so they should be sent packing as we have recommended. This company has therefore, become what the Kambas call 'King'a,' because it is not growing, it is still dependent on the National and the County financial support seven years after the board was instituted and that means that it is only a liability to this County---

The Speaker (Hon. Douglas Mbilu): Hon. Elizabeth would you substantiate what you mean by whatever you have quoted.

(Laughter)

The Speaker (Hon. Douglas Mbilu): Or give further explanation qualities.

Hon. Elizabeth Kiio: Mr. Speaker 'King'a,' means a child that does not grow, that has stunted growth; 'Katumani.'

(Laughter)

The Speaker (Hon. Douglas Mbilu): Hon. Elizabeth you cannot use a quoted abbreviations to describe another one. Now you have introduced another one called *Katumani*.

Hon. Elizabeth Kiio: Mr. Speaker I borrowed that from the Leader of Majority.

(Laughter)

Hon. Elizabeth Kiio: I wanted to use *King'a* which means, a child that has stunted growth; that does not grow. From zero years you must grow both vertically and horizontally until the age at which you cannot grow anymore but this is still a baby even all these years later and that is what I mean.

The Speaker (Hon. Douglas Mbilu): Very well proceed.

Hon. Elizabeth Kiio: Thank you Mr. Speaker. These people are also arguing that because their systems are manual, that has occasioned the variances in the figures. I believe that, figures are figures whether they are manual or digital. Even if they had digital system they would still have the variances. In fact I believe that if you do mathematics manually you are more likely to get more accurate results. Therefore, I support this Motion that people be sent packing because they do not get the seriousness of the matter and they are only in the business of enriching

themselves as we have witnessed out there when we socialize. Thank you Mr. Speaker.

The Speaker (Hon. Douglas Mbilu): Member for Kikumbulyu South Ward.

The Member for Kikumbulyu South Ward (Hon. Jades Kalunda): Thank you Hon. Speaker. Thank you Sergeant. At least somebody can note the difference in height. One, I want to appreciate the efforts of the Hon. Chairperson Hon. Kevin Mutuku and his team myself being part of that team ----

The Speaker (Hon. Douglas Mbilu): Member for Kikumbulyu South Ward you are supporting the team or you are supporting the Motion?

The Member for Kikumbulyu South Ward (Hon. Jades Kalunda): I am supporting the Motion.

The Speaker (Hon. Douglas Mbilu): Then you are now a seasoned debater and if you go on HANSARD you might have the longest talking hours and therefore - --

(Laughter)

The Speaker (Hon. Douglas Mbilu): It is expected of you that, you should be more experienced than anyone else. Systematically proceed and execute your debate.

The Member for Kikumbulyu South Ward (Hon. Jades Kalunda): Thank you Hon. Speaker for the guidance. You know---

(The Speaker (Hon. Douglas Mbilu) interjects)

The Member for Kikumbulyu South Ward (Hon. Jades Kalunda): I stand to support this Motion only that the mix up came because KIMAWASCO affects 100% of my electorate in Kikumbulyu South Ward where I come from. Thank you for the guidance. I want to start by appreciating the efforts of the Chairperson and his team where I also belong; that is the Committee on Public Investment and Account and still also want to assure the team because I can read the spirit of the Plenary today and this Motion is going to pass. I want also to assure the Members as the Chairperson for Implementation once you pass this it will implemented 100% within timelines ---

The Speaker (Hon. Douglas Mbilu): Member for Kikumbulyu South Ward you cannot assign yourself responsibility unless it has been conferred to you. Commit to the Members how you are going to execute assignments that have been committed to you before but this have not been concluded please. Withdraw that statement.

The Member for Kikumbulyu South Ward (Hon. Jades Kalunda): Thank you Mr. Speaker I withdraw that unconditionally.

The Speaker (Hon. Douglas Mbilu): Proceed.

The Member for Kikumbulyu South Ward (Hon. Jades Kalunda): One, I want to accept that KIMAWASCO has not been following the law, has been operating within their own law. The law they have created for the management team and it is unfortunate that we cannot watch as our people suffer. That is the reason as to why people are very emotional with these water companies because there is no service delivery but there is a lot of enrichment. People are drawing money even customer deposit to the tune of even ten million to enrich themselves. I am in the whole support of this Motion because sanity will be reinstated into these water companies. I am suggesting because County Public Service Board should also be in charge of recruitment of these Members of staff of these companies. I thought the County Public Service Board could help us a lot because we do not expect even the Governor to run these companies but he has got delegated authority to people.

I thought it would be wise even for the County Service Board to come in and help clear this mess where a Finance Manager is withdrawing money, where the Managing Director is getting money and is not receipting and he can give a report whenever he wants, just a leading Report to show that he is not culpable. We want to make it possible for ourselves as Members and also members of public of this County that, whenever you are given a responsibility to run affairs of a County entity you cannot run away. That is the reason as to why you are accountable to your Chief Accounting Officer, to the person you report to otherwise it could have been impossible even for us to run after these people if they were just members of public but since we have got authority over them, we have to make sure that all the programmes and service must be delivered without any excuse. I would have wished the Speaker to also guide us on County Service Board and also give directions on that.

Number two, I understand the Water Act changed; that is the composition of the Members of the Board which runs these companies. The ECM Water and ECM for Finance have got a 50% composition authority in these Boards. I would have wished if they could take this one seriously and have a say in these boards. Otherwise we will have to ask that they bring the policies or the regulations which make them run these companies. There is no reason for us to have a company which is running under a certain Department in this County and we cannot have a say in them. We would wish also the policy to be brought and we investigate and interrogate to see what these people have been running away with. When you look at the other companies like Eldoret Water and Sewerage Company, like NYAWASCO, Nyeri Water and Sewerage Company they make a lot of money every year. I cannot understand. In those areas where I have mentioned this, there is a lot of water even water running through the roads but you can tell these guys are making close to Kshs.100 million every year in

terms of profit. I am asking why KIMAWASCO can't make even a small amount like Kshs.10 million every year because everybody is buying water.

When you go to Mtito- Andei that is the stretch between Mtito- Andei and Emali, everybody is buying water from KIMAWASCO but they cannot make money because that money is getting to the wrong pockets. People are collecting money and then they are putting it into their personal accounts. We need to address that. On the customer deposits, I fail to understand how an Accounting Officer will get money from a customer deposit account. How even do you dare do that? Therefore, those are the things that form the basis for this Committee on Public Investments and Accounts to make that kind of an opinion and since it is a comprehensive Report we need to deal with them squarely. I will quote the Hon. Majority Leader who says, 'teenda *umekia mbalauni*,' because there is no way you can be joking around with the public funds and public finance and we continue ---

The Speaker (Hon. Douglas Mbilu): Member for Kikumbulyu South that quote is a foreign language to this House. Describe your quote.

The Member for Kikumbulyu South (Hon. Jades Kalunda): The Quote is very simple according to my understanding when Hon. Majority is using it ---

The Speaker (Hon. Douglas Mbilu): Order. Under the circumstances it is not the Majority who has said it. It is you.

The Member for Kikumbulyu South (Hon. Jades Kalunda): Now from the quote, I mean when you are not doing what is correct somebody has to make you do what is correct. That is the plain explanation.

The Speaker (Hon. Douglas Mbilu): Proceed and concentrate on the subject matter please.

The Member for Kikumbulyu South (Hon. Jades Kalunda): Hon. Speaker you need to protect me from the forces of the Majority and the Deputy Speaker and the Speakers panel. I am a staunch Christian. I am a devoted Christian and the Book of Isaiah says we will only get to where we are headed to if we go back to where we lost our root because somebody has to make them to go back to the basics. I would wish this House, through this Motion, you make KIMAWASCO go back to where they lost it and this will be the biggest prize you can give to Kibwezi West and Kibwezi East who have been having dry taps. Even in a big city like Kibwezi, there is no water in Kibwezi town. Kibwezi is one of the oldest towns in this country after Mombasa. That is only the place where there was water all the way from River Tsavo. That is the only place where there was water but people in Kibwezi are even cursing the times because it is impossible to get one jerrycan of 20 liters. Like where I come from, we buy that at Kshs.60. You can imagine how much that jerrycan is. For that sanity to

come back this House has to help us so that we do away with the management team, we do away with the people who are not working for our County and the people of Makueni.

I also want to mention that KIMAWASCO has been very competent in doing bad things. When they were in charge of the Kwingithya Kiwu Water Project they accumulated a bill of Kshs.2.1 million and it even impossible for the contractor to work on the Kwingithya Water Project and Thingini Munyeteni Water Project because the water entry point was closed by WARMA and it is impossible. I have to call WARMA every week for them to allow us to run that water for one night because we have got a bill of Kshs.2.1 million shillings. That is the competence of KIMAWASCO in pulling down the hearts of Kibwezi people. I am going to bring a report and also a Statement on the same so that we have to force people to pay that bill of Kshs.2. 1 million shillings because it impossible for the contractors to work on those two water projects which are serving the people of Kikumbulyu North and Kikumbulyu South. That is the reason to why I gave that one out so that people and members of the House can see why KIMAWASCO need a good surgeon so that it works to the people of Makueni County. With those many remarks because my good neighbor Hon. Munywoki is complaining, I will have to stop at that moment and ask Members to pass this Motion as it is ---

The Deputy Majority Leader (Hon. Richard Munywoki): Point of Order.

The Speaker (Hon. Douglas Mbilu): What it is the Hon. Member for Masongaleni?

The Deputy Majority Leader (Hon. Richard Munywoki): Thank you Mr. Speaker. Is it in Order for the Hon. Member to say that I am complaining and I have not even opened my mouth?

The Speaker (Hon. Douglas Mbilu): Member for Kikumbulyu South.

The Member for Kikumbulyu South (Hon. Jades Kalunda): Hon. Speaker it is through gestures. You can tell by how somebody is making the movements. Like you can differentiate between the Majority and his Deputy. The Majority is very happy and his Deputy his having issues with the timing. Therefore, that is the reason. Thank you Hon. Speaker for the protection.

The Speaker (Hon. Douglas Mbilu): Member for Mtito – Andei Ward.

The Member for Mtito Andei Ward (Hon. Francis Mwanja): Thank you Mr. Speaker sir for this opportunity. I wish to support the adoption of the Report and state very categorically however the Board and the technical team have failed to deliver, I wish to request this House to adopt the Report and immediate action be taken because I am really suffering in Mtito Andei. I wish that team to be disbanded

because they cannot even supply water to Mtito Andei. It has been dry for over six months and they are drawing salaries from that system that was done by the National Government, they have not even done a one kilometer pipeline extension to anywhere, therefore I wish to urge the Hon. Members to adopt the Report immediately and the implementation team to help us have some water in Mtito Andei. Thank you.

The Speaker (Hon. Douglas Mbilu): Hon. Minority Whip.

The Minority Whip (Hon. Joseph Kahindu): Thank you Mr. Speaker for the opportunity. I stand to support the disbandment of this certain team of KIMAWASCO---

The Speaker (Hon. Douglas Mbilu): Member for Ilima, you are supporting disbursement?

The Minority Whip (Hon. Joseph Kahindu): Not really disbursement but disbanding of ---

The Speaker (Hon. Douglas Mbilu): So you are supporting the Motion?

The Minority Whip (Hon. Joseph Kahindu): I support the Motion to have this team sent away because by look of things, this teams has been a problem to the people of Kibwezi and Makindu. By the words of the Hon. Members from that side, it is my request that whoever is responsible for the team to be sent home to do it immediately because the people of Kibwezi, the people of Makindu and Makueni County as a whole are suffering because of a few individuals; ten in number, who seem no more than any other from the County. Therefore it is my wish that that team be sent home. I wish to congratulate the team led by the Chairperson Hon. Kevin who is doing some very good work as I would have done. Being a member of the official opposition team ---

(Laughter)

The Minority Whip (Hon. Joseph Kahindu): And Kevin being the Chairperson of PAC which lies squarely in our docket as per the opposition, I take this opportunity to congratulate Kevin and your team, you are doing a wonderful job. Thank you Mr. Speaker for the opportunity.

The Speaker (Hon. Douglas Mbilu): Hon. Mercy Mutuku.

Hon. Mercy Mutuku: Asante sana Mheshimiwa Spika kwa nafasi hii. Naona Waheshimiwa vile nimekaa bila kusimama hapa mbele naona wakiwa na mshangao, wakiwa wanafurahia na hata mimi nafurahia. Kwanza ninasemma ya kwamba ninaunga Hoja hii mkono nikiwa na sababu za kutosha. Hoja hii ni wa kuhuzunisha. Unaleta mshangao kwa wananchi wa Kaunti ya Makueni. Sio Hoja ya kufurahisha. Ni

Hoja ambayo imehuzunisha wengi katika Bunge la Makueni. Bunge la kwanza nilikuwa kwa Kamati ya Maji na kulikuwa na shida katika Wodi ya Kikumbulyu Kasikasini na pia ya Kusini na tukaenda ili tukatatue shida ambayo ilikuwa imeleta vita katika Wodi mbili. Ninasema ya kwamba tulipoenda kuangalia katika mradi wa maji wa Kwinyithy'a tulipokutana na wananchi wa Wodi ya Kikumbulyu kasikasini nikisema ukweli nilitoa machozi. Wamama walieleza wakalia wakatoka nje. Nikiwa na Mheshimiwa mteuliwa Agnes Mailu tulilia machozi wamama wakiwa wanataka kutoa nguo mbele ya Mheshimiwa aliyekuwa wakati ule Mhe. Kiswii.

Nasema hivi, kama wamama wa Kikumbulyu kasikasini walitoa machozi kwa sababu ya kunyimwa maji siku hii ya leo ni aje kwa wananchi wa Makueni na sana sana wa Kikumbulyu Kasikasini, Makindu na Kikumbulyu Kusini ambapo ni nchi ambazo zinakosa chakula wakisikia KIMAWASCO kampuni hio imewanyima haki zao wamenyemelea wamekula pesa ambazo hawazezi peana hesabu? Hawa wamama watalia zaidi. Mimi yangu ni kusema ukiona kwa boma mzee anaandikia mama mfanyi kazi na anakaa kwa miaka mingi huyu mfanyi kazi atachukua jukumu la mzee wa hio boma ---

(Laughter)

Hon. Mercy Mutuku: Ata tawala na hata akiingia atakuwa hana nafasi ya kuongea kama kichwa kwa hio boma. Mimi ninasema ya kwamba KIMAWASCO imekalia kwa miaka mingi na ndio maana ---

(The Hon. Majority Leader stood in his place)

The Speaker (Hon. Douglas Mbilu): Order Hon. Mercy Mutuku, the Leader of the Majority is on his feet. What is it? Resume your seat.

PROCEDURAL MOTION

EXTENSION OF TIME

The Majority Leader (Hon. Kyalo Mumo): Mr. Speaker this is not a light matter. It is touching on lives of people through water. Some time before we were accused of not having enough time and Motions to deliberate. Because this matter is very interesting and with your permission I would wish to move a Procedural Motion:-

THAT pursuant to provisions of Standing Order 33 (a), this Assembly resolves to extend its sitting time until the business appearing in the Order Paper is dispensed.

Because of the sensitivity of the matter, I will request Hon. Ngui to come and second the Motion.

The Member for Nguu/Masumba Ward (Hon. Harris Ngui): Mr. Speaker sir, I stand to second.

(Laughter)

(Question proposed)

(Question put and agreed to)

The Speaker (Hon. Douglas Mbilu): Mheshimiwa Mercy Mutuku.

Hon. Mercy Mutuku: Asante sana Mheshimiwa Spika. Nikimalizia ninasema ya kwamba kampuni ya KIMAWASCO imekuwa na mazoea, ilishindwa hapo mbeleni na kutunza kazi yao na kwa sababu imeona hakuna wa kuuliza ndio maana wamefika kiwango ya kwamba wanaiba pesa kwa wingi. Kwa hivyo mimi ni kusema ya kwamba wanafanya kazi na njia ambazo kama serikali za mteremko hazijazaliwa walikuwa na hayo mazoea na ndio maana wamekuwa kwao sio kitu. Ninasema waende nyumbani na wananchi wa Makueni wapewe maji inavyostahili. Asante.

The Speaker (Hon. Douglas Mbilu): Hon. Mariam Ngina.

Hon. Mariam Ngina: Asante sana Bwana Spika. Nasimama kuunga mkono hii Hoja. Mimi kama mkaaji wa Kibwezi ninajua sana zile changamoto zinakumba watu wa Kibwezi. Hii kampuni ya KIMAWASCO vile naweza ongea kulingana na vile najua kama mkaaji wa Kibwez,i wamekuwa wametulia na wakazoea tu wakaona ni kama kawaida kwa vile wamekuwa hapo kwa miaka mingi wakazoea wakaona hakuna ile jukumu ya kufanya kazi. Kile wanafanya ni kudai na kutembea wakikatia watu maji. Ukitembea Kibwezi utapata mita zimewekwa kwa barabara na hizo mita zimewekwa kwa barabara mifereji ziko na kwako ni kilomita moja kutoka mahali mita iko na hio maji katikati ya kwako na mahali mita iko utapata inamwagika kwa njia. Haimwangiki kwako nyumbani na mita inasonga. Utakuja kulipa hio maji. Utapata hauna maji wiki mbili ama wiki moja, inamwagika tu huko msituni lakini utakuja kulipa hio maji. Ile kitu wanajikakamua kabisa ni mambo ya kudai pesa na kuzunguka huko tarehe ishirini na nne zikifika kila mwezi kukata maji ndio ulipe na hio faini ya mia tano.

Kwa hivyo hawa watu ninaomba washituliwe. Wapelekwe nyumabani ndio wale watakuja kufanya hio kazi wajue Makueni sio ile ya kitambo. Saa hii kuna watu wanashugulikia mwananchi wa kawaida na pia sisi wenyewe ndio kila mtu ahudumiwe kwa njia inayostahili kama vile sisi tunajikakamua kufanya kazi zetu. Tunaamka hapa, tunashida hapa tukuwashugulikia kwa hivyo kila mfanyikazi ashike njia yake na kila kazi ifanyike kwa njia inastahili. Kwa hivyo KIMAWASCO hao wanastahili kwenda nyumbani ndio wawe mfano kwa wengine. Asante.

The Speaker (Hon. Douglas Mbilu): Member for Waia/Kako.

The Member for Kako/Waia (Hon. Dennis Musyoka): Thank you Mr. Speaker. I stand to support the Motion which is before us and what I can say is it is very bad especially for the Accounting Officer because the report which is before us is an Adverse Opinion from the Auditor General. What does that mean? These Financial Statements have misstatements; there is some evidence which cannot be provided and somehow they are pervasive or the person who was preparing this Statement had his hidden agenda. I can say the Accounting Officer was very ignorant because one, the closing figures or the closing balances for the year ending 30th June, 2015 were to be the opening balances for the year starting 1st July, 2016 but this Accounting Officer went contrarily to the opinion or contrarily to the balances given by the Auditor by that time; that is ignorance.

The second one I can say this person is incompetent because when there are misstatements in the Financial Statement it means that there is something you are trying to hide and it has come to a level whereby, the company is not liquid any more or it is like saying, a person who has no blood in his body so that person is dead, he is no longer living. This incompetence has led the company to be illiquid and there is no going concern for this company. If you check the current assets they are lower than the current liabilities by about eleven million. Therefore, what does that say? These people have drained this company to an extreme whereby they cannot drain it any more. These people are thieves and they are doing it in daylight. When you check also, this person is also negligent to a level whereby he has no mercy even to the people who are living in Kibwezi and Makindu. It happens that I live in Makindu and also in Mtito Andei. When I go there, I find that the school going children after school they are sent to fetch water far away from their homesteads. This is a person who is killing dreams of our school children and making life there unbearable.

Also, on the negligence part of it, these people were comfortable when the water was overflowing the way we were told by our engineer. They could not fix it but they left the water to be overflowing and they did not take any action. That negligence is leading to losses for this company and it made losses in the year 2015 and 2016 and it is under supervision and management of a Managing Director. These people surely do not mean well for the people of Kibwezi, Makindu and Mtito Andei at large. Therefore, what we have recommended as PIAC I urge the Hon. Members to support it, these people should be taken, the way we have recommended, to the Ethics and Anti-Corruption Commission and also if possible they should be jailed and also the team to be disbanded as soon as possible and a new team comes in because of what they have done. This is a crime of the highest order and we cannot watch our people suffering on the other side on Makindu and Kibwezi while we are Hon. Members who are elected and also nominated to this House to protect the interest of our people. I we are going also to receive the financial statement of Mbooni which is a Disclaimer

that means there is no records, financial statements not tallying, matching and balancing. The debate is becoming sweeter day by day. We started with cow, elephant now I do not know which animal is bigger than an elephant. Let us support this Motion before us because we want to save the lives of our people in Kibwezi and Makindu. Thank you Mr. Speaker.

(Applause)

The Speaker (Hon. Douglas Mbilu): Hon. Janet.

Hon. Janet Wambua: Thank you, Mr. Speaker sir. I stand to support the Motion as it is. As a beneficiary I am so pained by the Accounting Officer if each and every month I pay my bill and he is not able to give reasonable explanations on the Financial Statements why collect the money? As my neighbor Hon. Marriam has said also this unaccounted water is always flowing in between the pipeline. This pipeline can even flow and if it breaks it takes even a week to be repaired and if you call these people they are calling Rapid Response Team they are always drunk. Last week I called one of them he came but he did not even repair the water and if you go near where I stay the water is still flowing even now. I wonder how a big firm like this cannot have internal audit, how? This group should go home and see how our people, especially in Kibwezi town, will benefit. As Hon. Mercy has said they are now used to that firm and they are very reluctant and I urge Hon. Members to support this Motion as it is and we move forward. Thank you, Mr. Speaker.

(Applause)

The Speaker (Hon. Douglas Mbilu): Hon. Jonathan Muoki.

Hon. Jonathan Mwaniki: Thank you Mr. Speaker I stand to support the report by Public Investments and Accounts Committee led by Hon. Ken Wambua. I can say you are doing very good work. However, I would like to say this, as far as we are recommending the sending home of the people concerned as we did in the morning and we are doing the same right now and I recommend we do so. I remember in my early days when I was in school, in 1948 when the state of Israel was created, the first President David Ben Guiro caused the Assembly of Israel to pass a law to manage the waters of River Jordan. Secondly, in 1945 in the State of Tennessee in America President Franklin Roosevelt caused the Assembly of the United States to declare the Tennessee Water Development Authority ---

The Speaker (Hon. Douglas Mbilu): Hon. Jonathan Muoki, I hope those are things that can be found on record?

Hon. Jonathan Muoki: Mr. Speaker those are facts and I am ISO certified.

(Laughter)

The Speaker (Hon. Douglas Mbilu): Proceed.

Hon. Jonathan Muoki: In the early sixties in Germany, they introduce laws to manage the waters of River Rhine and the same thing applied to Britain to manage the waters of River Thames in early 15th century. As far as we are talking about water, this cry is everywhere in Makueni County. The Chairperson Water Committee has said there is another Company in Mbooni which has a Disclaimer which the Auditor cannot even go and audit because there is nothing to be audited. If you go down to Kanthuni in Mavindini Ward where I come from, there is a borehole which was sunk there and there is a management which is supposed to manage the water so that the people surrounding, the people who were prescribed to benefit from the waters of that borehole can get water. You find that they open the water, they steal the money, and the generator which pumps the water lacks diesel. Because the cry of water is everywhere, I suggest we take this matter seriously.

As I said in the morning the ECM Water and Irrigation is supposed to supply the people of Makueni with water as per Article 43 of the Constitution and the ECM Finance is supposed to improve on the revenue collection. According to the two reports, you can see there is money lost. There is money taken from the County Government. It goes to the drain, the people are not getting water and the ECM Finance is not getting revenue. We are losing. As the Hon. Mutindi said, the County is becoming *king'a* in terms of water supply and she explained what that means. Reading the speech of His Excellency the Governor when he opened this Assembly he mentioned, '*Kuutwikanya Kiwu*' and he also went ahead and mentioned some laws which were supposed to be brought to this House by the Executive so that we can pass the laws to regulate some of these Government entities. Therefore, I request the Committee on Implementation when implementing this Report they put pressure on the Executive ---

The Speaker (Hon. Douglas Mbilu): Hon. Muoki, you put it this way. The Committee on Implementation, if directed, allowed to do so because when you say when, it is like it is obvious. You have already instructed the Committee to do so.

Hon. Jonathan Muoki: I stand Guided Mr. Speaker. I say this because we are debating on this and we have not yet concluded the Motion, if we adopt this Report and it is directed to the Committee on Implementation, I request the Chairperson Hon. Kalunda, the Member for Kikumbulyu South to move with speed and make sure that two ECMs work together so that they can fast track on the Bills that will regulate the use of Water in Makueni County. Further, even in this House on the water we purchase using public money, immediately you leave this House, you find that somebody opens a water bottle, takes half of it and leaves the other one there. Even use Bills to regulate the use of water. I rest my case there. Thank you Mr. Speaker.

The Speaker (Hon. Douglas Mbilu): Member for Nzambani / Ivingoni Ward of Kibwezi East Sub County.

The Deputy Speaker (Hon. Harrison Mutie): Thank you Mr. Speaker. You are right I come from Kibwezi East an area that is supposed to be covered by this company called KIMAWASCO. I am very saddened and I think Member from Mavindini read my mind when he talked about one of our economic pillars in our vision 2025 as a County Government, 'Kwitwiikanya Kiwu' and my question is are we 'Kwitwiikanya Kiw'u' in Kibwezi East?

Hon. Bernadette Mutisya: Point of Order.

The Speaker (Hon. Douglas Mbilu): Hon. Bernardette.

The Deputy Speaker (Hon. Harrison Mutie): Mr. Speaker I do not want to benefit from that advice.

The Speaker (Hon. Douglas Mbilu): Proceed Hon. Bernadette.

Hon. Bernadette Mutisya: Thank you Mr. Speaker. I wish to note that the Deputy Speaker did not state whether he is supporting or is not in support of the Report. Thank you.

The Speaker (Hon. Douglas Mbilu): Member for Ivingoni Nzambani.

The Deputy Speaker (Hon. Harrison Mutie): Thank you Mr. Speaker. I think Hon. Bernardette is very quick to judge me. I was coming to state whether I am supporting the report or not but let it go to record ---

The Speaker (Hon. Douglas Mbilu): Member for Ivingoni Nzambani, Hon. Bernardette is absolutely in order and as a Member of the same political party she did not want you to embarrass yourself. It is very much in order that you thank her for being keen when you are contributing and not letting you down and then you proceed.

The Deputy Speaker (Hon. Harrison Mutie): I stand guided Mr. Speaker.

The Speaker (Hon. Douglas Mbilu): This should be directed to Hon. Bernardette who is a Member of NARC just as you are.

The Deputy Speaker (Hon. Harrison Mutie): Mr. Speaker allow me to say thank you very much to Hon Bernardette for capturing that important information.

Hon. Bernardette Mutisya: You are most welcome Deputy Speaker.

(Laughter)

The Deputy Speaker (Hon. Harrison Mutie): Thank you.

The Speaker (Hon. Douglas Mbilu): Order Members. Member for Ivingoni/Nzambani proceed.

The Deputy Speaker (Hon. Harrison Mutie): Thank you Mr. Speaker. Allow me to probably jog the minds of this house and ask ourselves why an audit is done in the first place. Why are we referring to this document, why is it every other time we request for quarterly reports either from the Auditor General or from any other internal audit. It is very important. An audit report is supposed to provide an objective independent examination of the financial statements to serve three issues. Number one to increase the value and credibility of the financial statements produced by the management. Number two, to increase user confidence in that financial statement and number three to reduce investors risk assumption. In this report we have seen material errors or misrepresentation captured by our Budget Accounts Committee. For example a withdrawal of six million from customer's deposits without any approval is a gross illegality. Any managing director of a company is allowed to access and expense a certain amount of money on behalf of a company and if there is any exceptional expenditure required by that company that the MD needs to get an exceptional approval from the board to do so and based on the documents presented to us we do not see that exceptional approval from the board. In my own opinion that board has integrity issues.

We have seen a lot of misrepresentation of information and I draw this house to page two of the Auditor's report. Page two shows a tabulation and when you go to column two you will find that there is a ledger balance for example on the first item. Ten million four hundred and eighty but on the financial statement it shows ten million three hundred and eight. A misrepresentation of information. Down there on sales, there is a misrepresentation of 1.4 million and on another area, trade and other receivables, a misrepresentation of 2 million. In total a 4.8 million misrepresentation of accounting facts were presented to the Auditor General. Books prepared for audit but with a lot of errors. Further to page three on the same document, there is again misrepresentation of information. Any closing balance in a certain account or ledger needs to be the opening balance for the following financial year and as you can see from that tabulation there is a gross misrepresentation of information and this basically in my own opinion served to cook figures to ensure that at least they seem to be working.

When you look at the going concern of this company and the Auditor General used a word that I will say needed not to be used on that 3.0 going concern where he said that, '*the company liquidity shortfall may have been.*' an Auditor General need not to use that word because it is his duty to get the facts right and therefore 10.8 million variance between the liabilities being more than the current assets and down there the same Auditor General says that this company's financial position is precarious and

therefore its continued existence in its going concern squarely is dependent on continued support from the County Government and creditors who have lost faith already. Who is that creditor or donor who is going to come and salvage a vehicle that is perceived to be on stones? This vehicle is not moving. In my own opinion I think a lot needs to be done and specifically by the Committee for Water. I think we need to revisit our regulations. We might keep saying this company failed and that other company failed but we need to check our regulations. Are we applying the regulations as per the book?

I believe these board meetings need to be doing reports every year in their annual general meetings. Do we have a representation of the County Government and if so how does he or she consume that information provided? There is an item called intangible assets. Intangible asset means an asset that is not physical in nature. You cannot quantify for example corporate intellectual property, like trademark, patent and the rest. On page two you realize that it moved from I think 75,000 value to 1. million. A trade mark. That in my own view is like hiding an illegality in totality and therefore my opinion is that because this report is adverse and I am told there is another company in Mbooni which is almost qualified as a disclaimer a lot needs to be done otherwise we will go down in history as an Assembly that did not protect its people when it needed to get water. Thank you.

The Speaker (Hon. Douglas Mbilu): Hon. Members before I put the Question, I want to take this opportunity to recognize the presence of Hon. Patrick Musili Mbangula in the public gallery. He is a Member of the County Assembly from Nairobi County and is the Deputy Minority Leader in Nairobi County and because this is a House of political parties he is a Member elected on a Wiper Party from Nairobi County representing in Hospital Ward in Mathare area in Nairobi County accompanied by---

(Applause)

The Speaker (Hon. Douglas Mbilu): One Hon. Ramesh who was a Senator candidate for Nairobi County under Wiper political party represented in this House --
-

(Applause)

The Speaker (Hon. Douglas Mbilu): And the same Leader of the House in Nairobi is also accompanied by Roi Kivusyu Wiper Chairperson Nairobi County in the public gallery.

(Applause)

(Question put and agreed to)

(Applause)

The Speaker (Hon. Douglas Mbilu): Following the resolution of the House Hon. Members I have the following directions to give. That;

- i. The resolutions of the House on the said report be conveyed to the Auditor General for information.
- ii. The resolution of the House of the said report be conveyed to the Ethics and Anti-Corruption as recommended by the County Assembly Committee on Public Investment and Accounts to conduct lifestyle audit of the Company employees involved in the fraud or corruption and if found guilty responsible action be taken according to the laws of Kenya.
- iii. Resolutions of this House be conveyed to the Senate of Kenya for information.
- iv. The resolutions of the House be conveyed to the County Executive Committee Member in charge of Water, Irrigation and Environment to occasion implementation of the recommendations of the Committee and report within sixty days on its undertakings.
- v. The resolutions of this House to be communicated to the Board of Directors for implementation. In this case, the Board of Directors for Kibwezi Makindu Water and Sewerage Company to consider the recommendations of the Committee.
- vi. The Implementation Committee of the County Assembly of Makueni takes this matter and examine whether or not the resolutions of the House and their undertakings by the County Executive Committee Member in charge of Water, Irrigation and Environment have been implemented, the extent to which they have been implemented in the minimum time necessary and timeline set by the Committee on Public Investments and Accounts Committee.
- vii. For purposes of conveying the information to the mentioned offices or officers and institutions the HANSARD report should be produced within 48 hours from the time of adjournment of this 7th Sitting of the Assembly.

It is so directed. Next order.

MOTION

ADJOURNMENT UNDER STANDING ORDER 30 AND 33

The Speaker (Hon. Douglas Mbilu): Leader of Majority.

The Majority Leader (Hon. Kyalo Mumo): Thank you Mr. Speaker sir for this opportunity. Before I move the Adjournment Motion with your permission allow me to extend that hand of welcome to the three Hon. Members from Nairobi

County and to inform them that they have just landed in the County of promise. Hon. Patrick Musili when with my able Chairperson on Delegated Committee we visited Nairobi for benchmarking, the young man really took care of us from the gate to the Governor of Nairobi County. Hon. Musili, 'Ukathi ituni.'

(Laughter)

The Majority Leader (Hon. Kyalo Mumo): Mr. Ramesh is also a Member of ---

The Speaker (Hon. Douglas Mbilu): Leader of Majority I will request you confine yourself to Hon. Musili. The Speaker did that job for you.

The Majority Leader (Hon. Kyalo Mumo): Thank you Mr. Speaker for the direction. I also extend that hand to the Same Hon. Roi who has really assisted Members of Wiper seated here and they are good friends. Thank you Mr. Speaker. In this case therefore, I beg to move the following Motion:-

THAT, notwithstanding the provisions of Standing Order 30 as read together with Standing Order 33, this Assembly resolves to adjourn from today Wednesday 21st February, 2018 until Tuesday 27th February, 2018 at 2:30p.m.

The reason for this is a message that we received or I received on behalf of the Wiper Party and NASA Coalition inviting us for a leaders meeting in Nairobi Stoneathi Ranch tomorrow 22nd Thursday, 2018 at 8:00 a.m. This is not just Wiper but this is NASA and this House is NASA. The Hon. Party Leader and the Principal NASA Hon. Stephen Musyoka feels that, Makueni having support his cause and principles cause that he wanted to hear the sentiments and the advice from this Honorable House. In the invitation list comes in the Governor of Makueni who also happens to be Wiper Chairman, Senator Mutula Kilonzo, the Speaker of the County Assembly Makueni, Women Representative, Members of National Assembly and Members of the County Assembly, religious leaders, professionals and elders. Makueni and Machakos are also invited in that list. The main agenda without taking a lot time is to chart the way forward politically or ---

The Speaker (Hon. Douglas Mbilu): Order Leader Majority. You have moved your Motion for Adjournment. As to what is contained in the agenda for political party affairs may not be a subject matter of this House and for purposes of HANSARD. Therefore you move Motion and you keep secrets of your meeting of political party affairs off the HANSARD.

The Majority Leader (Hon. Kyalo Mumo): Thank you Mr. Speaker. I am so directed. I was only trying to show Members the importance of this meeting that we

are all needed. You know where we are and I quote the Book by the late Oginga Odinga, 'It is not yet uhuru.' Some of you may think it is over. It is not. There is a problem in this Country and I want to quote this lady from South Africa, Saraphina 'Freedom is coming tomorrow.' It is not going to be business as you usual and therefore Members, I therefore want to kindly to urge you, let us listen to the voice of our Party Leader because he needs us more than we need him. This community of Ukambani is not the same again. We are being called all manner of names everywhere. It is time that this community stands united and stands to be counted by the other communities and stands to be respected. It takes our life where Dr. Stephen Kalonzo has reached. We must stand with our Party Leader and therefore tomorrow is a very big day for this County of Makueni. In this case I therefore call upon Hon. Leader of Minority Hon. Kisungi to second this Motion. I thank you.

The Minority Leader (Hon. Kisungi WA Katete): Thank you Mr. Speaker. Thank you Minority for moving such a wonderful Motion.

(Laughter)

The Speaker (Hon. Douglas Mbilu): Leader of Minority, did you swap the positions or you are eyeing to be the Majority of this House?

The Minority Leader (Hon. Kisungi WA Katete): Sorry for the confusion I meant thank you Leader of the Majority for moving such a wonderful Motion. Hon. Members there comes a time when a community has to chart its way forward. In Makueni we have made a decision but we shall work together so that we can move our people forward and as the Leader of Minority, we have decided to be with you in this meeting because I know some of the emerging things will be can we have a declaration as a people from Ukambani because it has come a time when we must know where we are going. We already know where we have come from but we do not know where we are going and we want to chart a way that will give respect to this community and will actually give some economic empowerment to our people through our productive meetings. It is the work of leaders to show their people how to move forward from where we are and as the Leader of Majority has just indicated it is not yet uhuru and we know our community is one of those communities which is targeted for economic sabotage. Without mincing words it is our time to tell our people this is the way to go and I am in full support of that way which will be decided and which will collectively be decided by us as leaders and especially by our Kamba kingpin His Excellency Kalonzo Musyoka. Thank you, I second.

(Question proposed)

The Speaker (Hon. Douglas Mbilu): The floor is open. Hon. Magdalene.

Hon. Magdalene Mulwa: Nashukuru Mheshimiwa Spika. Kwa wakati huu nimefurahi na roho yangu imekuwa sawa. Nimesimama kuunga mkono kuahirishwa kikao cha kesho tarehe 22 mpaka tarehe 27. Sababu yakuharisha ni sababu insaoneka na inasikika kwa kila mmoja katika Jumba hii na hata nje ya Jumba hii. Inasemekana ati watu wa Nyumba hii wanekubaliana kwa kauli moja kwamba kiongozi baba wa nchi ya Ukambani amesema nyinyi wote kujeni tuongee pamoja tujadaliene mambo yaa uongozi wa nchi ya Kenya. Hata sio Ukambani ni Kenya. Mheshimiwa Kalonzo Musyoka kiongozi wa wakamba amekuwa na akakomaa akawa kiongozi wa Kenya nzima. Wakati tulipiga kura mwezi wa nane, tarehe nane, tulichagua kiongozi raisi wa nchi na naibu wake wote wakiwa ni rais Raila Odinga, naiibu wake Stephen Kalonzo Musyoka na wakati huu ndio wanaangalia maslahi ya mwananchi wa Kenya kikamilifu.

Kulinganana vile wananchi wanaona na wanakaa na wanawaangalia. Wako na ukakamavu kuangalia nchi ili mwananchi akae vizuri na ndiyo sababu Mheshimiwa Kalonzo Musyoka kiongozi wa ukambani na wa Kenya ameitana kesho. Sisi wote Nyumba hii na viongozi wote wazee, wamama, vijana, sisi sote tuelekee pale Stone Athi kusikiza ni nini anaongea na tuongee pamoja na tujadiliane. Tusipoharibu wakati ni vizuri sisi kama Nyumba viongozi tuonyeshe wananchi wale wametuchagua na wametuleta hapa mwelekeo na njia ya kupitia ndio tufanye uongozo wetu uonekane kikamilifu na ukakamavu. Bila kuharibu wakati naunga mkono kikamilifu, kwa dhati tuhairishe kutoka kesho mpaka Jumanne saa nane na nusu. Asante sana na naunga mkono na nauliza Nyumba hii waheshimiwa wamechaguliwa, wameteuliwa wote tuko Nyumba hii tuunge mkono na tupitisha kwa kauli moja tuhairishe twende tusikilize ni nini baba anasema. Baba akiongea nani mwingine aongee? Asante sana.

The Speaker (Hon. Douglas Mbilu): Hon. Sharon Mutinda.

Hon. Sharon Mutinda: Thank you Mr. Speaker for this opportunity. I stand to support the Motion of Adjournment of the Assembly until 27th February, 2018. I believe this House is a House of NASA in totality and as we all know there before we know what happened after the swearing in of our president Raila Amollo Odiga and our Deputy President Kalonzo Musyoka and there were a lot of speculations and a lot of stories which were there. It is our time as a family to put our house together and I think tomorrow will be the best day where most of us who have several questions will be their day to ask our leaders one on one and we will interrogate and know the reasons of all this speculations. I think as one family we have to agree on this issue of Adjournment and put our hands together agree on tomorrow to meet our leaders and interrogate the issues to put our house in order. I thank and urge all the Hon. Members to agree and support the Adjournment Motion for our agendas tomorrow. Thank you.

The Speaker (Hon. Douglas Mbilu): Member for Mukaa Ward.

The Deputy Majority Whip (Hon. Joseph Muema): Thank you Mr. Speaker. I want to thank you for this opportunity. Secondly I want to thank the Leader of Majority for moving such kind of a Motion. I like how our party leader works. Recently, the wisdom that he has applied to invite all of us to a consultative meeting for all of us to chart the way forward for us to decide the path that we shall take for ourselves. As we know we are the representatives of the people therefore this meeting is meant to enable us give our voices, give our views for us to be able to guide the citizens on the way forward politically, development wise and where we stand as a Kamba nation. I want to believe that all of us are behind our leader therefore I know all of us will support this Motion for us to adjourn to attend that important function tomorrow and enable us by next week be able to guide our people and therefore I want to ask all Members Kindly support this Adjournment Motion and I am sure the Speaker is about to put the question. Thank you.

The Speaker (Hon. Douglas Mbilu): Member for Kako/Waia.

The Member for Kako/Waia Ward (Hon. Dennis Musyoka): Thank you Mr. Speaker. I support this Motion of Adjournment and reading the mood of the House Hon. Members are willing because I can say surely Musyoka is a godly man. If I quote from the book of Isaiah 1:18, '*Come now and let us reason together says the Lord*' surely this man is borrowing this from God. If he is calling us to go and reason together that means he does not want to make a decision on his own but he wants us to make decisions together. Therefore, I think Hon. Speaker you can just put the Question. We are willing; our spirit is high and we want to go there as early as now. Thank you.

The Speaker (Hon. Douglas Mbilu): Hon. Rose Ndibo.

Hon. Rose Ndibo: Mr. Speaker I stand to support the Motion of Adjournment from tomorrow to Tuesday and I would wish we all converge in one place, we go as a convoy with a banner written Makueni County Assembly. I think that will show who Makueni people are. Thank you and I support.

The Speaker (Hon. Douglas Mbilu): Hon. Rose Ndibo I must remind you that the powers and privileges and precincts of the Assembly will not be applicable therefore we will not be conducting business of the House but business of a political party so you may brand it your political party but not the Assembly.

Hon. Rose Ndibo: I stand corrected.

The Speaker (Hon. Douglas Mbilu): Member for Kitise/Kithuki Ward.

The Member for Kitise/Kithuki Ward (Hon. Kevin Mutuku): Thank you Mr. Speaker. I support this Motion but before I say anything let me thank this House as

the Chairperson for PAC for the support that this House has accorded us this day for the two Reports that we presented. They were well received and the House was very positive about them. I also wish to thank your Office. It is not very easy to provide a report on matters of audit before this House but this Committee really enjoyed powers and privileges and the protections from your Office and therefore we really appreciate you and the Clerk's Office and the two Clerks of the Committee who did a really great job. Then to the commitment of all the Members of the Public Investments and Accounts Committee, you were very committed through the production of these reports and therefore, I just felt it is important that I thank all of them for the support and what they have been doing.

It is our commitment before this House that in future as the key watch dog Committee in this House, we will do what it takes, we will commit to do our duties diligently so that we protect the image of this House and we also protect what belongs to the people of Makueni County. Back to the Motion tomorrow is an important day for this County we know the political gaps that are existing within Makueni County and other areas and we really need to discuss as leaders and know the way forward and also be able and be in a position to speak in one voice. It is very important so that we attend that meeting so that we all be there and get the directions and the way forward. I support and request you to put the question at this juncture without more delay. Thank you.

The Speaker (Hon. Douglas Mbilu): Chairperson Committee on Public Investments and Accounts are you directing the Chair? I hope you will not make the recommendation that if the Chairperson does not put the question he be investigated. Member for Kikumbulyu South Ward---

The Member for Kitise/ Kithuki Ward (Hon. Kevin Mutuku): I am sorry Mr. Speaker.

The Speaker (Hon. Douglas Mbilu): Having withdrawn I now put the question.

(Laughter)

ADJOURNMENT

The Speaker (Hon. Douglas Mbilu): Hon. Members the time now being 17:23 hours, the House stands adjourned until Tuesday 27th February, 2018 at 2:30p.m.

(The House rose at 5:23 p.m.)