

REPUBLIC OF KENYA
MACHAKOS COUNTY ASSEMBLY

OFFICIAL REPORT

Tuesday, 24th July, 2018

The House met at 10.26 a.m.

[The Speaker (Hon. (Mrs.) Mwangangi) in the Chair]

PRAYERS

Hon. Speaker: The Speaker at the beginning of the Assembly is under a duty to ensure whether there is quorum or not. Hon. Maitha you agree with me on that? The other time you were not agreeing with me. So, Mr. Clerk can you confirm whether we have quorum or not. We do have quorum am being told. So, good morning, Members.

It has been an eventful time, a lot of stuff on the way but I have no doubt that we are up to the task and that we will deliver to the public accordingly. Mr. Clerk, proceed.

STATEMENT

BUSINESS FOR THE HOUSE FOR 24TH TO 25TH JULY, 2018

Hon. Speaker: Hon. Members, under this Order as per the appendix, we have one business by the Hon. Mark Muendo, Majority Leader. I can see Hon. Kiteng'u, Deputy Majority Leader is waking up.

Hon. Kiteng'u: Thank you, Madam Speaker. On behalf of the Majority Leader, I want to move the Statement. Hon. Speaker, I stand under Standing Order number 41(2)(a) where during the Statement Hour, a member of the House Business Committee designated by the committee for that purpose shall for not more than ten minutes present and lay on the table Statement informing the House of business coming before the House.

Hon. Speaker the House Business Committee met on 23rd July, 2018 and balloted business for this week pursuant to the provisions of the Standing Order 151 as follows:

Tuesday, 24th July, 2018

Morning at 10.00 a.m.

A report of public accounts and investments committee on financial report for Mwala Water and Sewerage Company for the year ended 30th June, 2018 to be moved by Hon. Joseph Musau, Chairman PAIC

Afternoon at 2.30 p.m.

Report of Public Accounts and Investments Committee on financial reports for Mavoko Water and Sewerage Company for the year ended 30th June, 2016 will also be read by Hon. Joseph Musa, chairman PAIC.

Wednesday, 25th July, 2018

Morning at 10.00 a.m.

Report of Environment, Energy, Lands and Natural Resources Committee on the conservation of Katunga forest will be moved by Chairman Hon. Robert Kisini.

Madam Speaker on Wednesday 25th July, 2018 at 2.30 p.m. no business has been located so far. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Kiteng'u for the information of the House. The House business will be convening for purposes of balloting business for Wednesday afternoon the 25th of July, 2018. Thank you. Mr. Clerk, proceed.

MOTION

FINANCIAL STATEMENTS OF MWALA WATER AND SEWERAGE COMPANY FOR THE YEAR ENDED 30TH JUNE, 2016

Hon. Speaker: Under this Order, Hon. Members we have one business from the PAIC. Hon. Musau.

Hon. Musau: Thank you, Madam Speaker. I am the Chairman PAIC committee representing Mbiuni Ward; Madam Speaker, a Ward with apparently three MCAs up to now. One elected, one nominated and another one who is about to eclipse the two existing there.

Hon. Speaker: Hon. Musau, if I remember I am informed that just resume your seat briefly. I am informed that the report was read sometimes back and the question was proposed that was on the 17th July, 2018 so what you need to do now is to debate; that is the position.

Hon. Musau, so you were starting us off on that high note. So, can we start members on debating he has introduced the motion which he had already tabled? Thank you very much. Hon. Members, we want to do a debate on this motion or have you forgotten; I know you had a lot in your hands. So, what do you propose; to read again? Mr. Clerk, is that procedural; that it be read again for the convenience of the House?

The advice from the Clerk is that we are all human and given to forgetting a few things here and there and so the chair Hon. Musau I am being informed that you can give a recap; you can remind the Members briefly so that then they can be able to debate from an informed point of view. Hon. Musau, please proceed

Hon. Wambua: Thank you, Madam Speaker and I will be a bit fast for the sake of time. As introduction, Madam Speaker, on 25th January, 2018, the report of Auditor-General on the Financial Statements of Mwala Water and Sewerage Company for the year ended 30th June, 2016 was received in the office of the Clerk pursuant to Article 229 (7) of the Constitution that states that Audit Reports shall be submitted to Parliament or the relevant County Assembly.

The report was committed to Public Accounts and Investments committee pursuant to Standing Order 185(2)(b) and (c) that states that “the Public Accounts and Investments Committee shall be responsible for examination of reports, accounts and workings of the County Public Investments and whether the affairs of the public investments are being managed in accordance with sound financial or business principles and prudent commercial practices.”

On committees mandate, Madam Speaker, the Public Accounts and Investments Committee is established pursuant to Standing Order 185(1) and (2), that states that; there shall be a select committee to be designated the County Public Accounts and Investment Committee which shall be responsible for:-

- a. The examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit.
- b. The examination of the reports, accounts and workings of the County Public Investments;
- c. The examination, in the context of the autonomy and efficiency of the County Public Investments, whether the affairs of the county public investments are being managed in accordance with sound financial or business principles and prudent commercial practices.

Madam Speaker, the committee is composed of the following members;

- | | |
|--------------------------|------------------|
| 1. Hon. Joseph Musau | Chairperson |
| 2. Hon. Winfred Mutua | Vice Chairperson |
| 3. Hon. Agatha Mutunga | Member |
| 4. Hon. Alice Nzioka | Member |
| 5. Hon. Johana Munyao | Member |
| 6. Hon. Josephat Kasyoki | Member |
| 7. Hon. Peter Mutiso | Member |

Some legal provisions on audit reports

Article 229(5) of the Constitution provides that “the Auditor-General may audit and report on the accounts of any entity that is funded from public funds.”

Article 229(8) of the Constitution states that “within three months after receiving an audit report, the parliament or the County Assembly shall debate and consider the report and take appropriate action.” Article 201(d) and (e) of the Constitution provides that the principles of public finance include prudent and responsible use of public money and responsible financial management and clear fiscal reporting.

Article 226(2) of the Constitution states that the accounting officer of a county public entity is accountable to the County Assembly for its financial management. Article 232(1)(a),(e) and (f) of the Constitution provides that values and principles of public service includes high standards of professional ethics, accountability for administrative acts and transparency and provision to the public of timely, accurate information.

Section 47 of the Public Audit Act 34 of 2015 states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 (No. 18 of 2012) and any other legislation, shall be submitted to the Auditor-General within three months after the end of

the fiscal year to which the accounts relate and the financial statements shall be in the form and content as prescribed by the Public Sector Accounting Standards Board.

Section 62(1)(b) and (c) of the Act provides that “a person shall not without justification, fail to provide information required under this Act or without justification, fail to provide information within a reasonable time that is required under this Act.”

Section 31 of Public Audit Act 34 of 2015 states that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor-General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year’s audit.

Committee sittings and evidence taking

On 26th March, 2018 the committee held a meeting with the Accounting Officer of Mwala Water and Sewerage company who had been invited to respond on various queries raised in the Audit report pursuant to Article 226(2) of the Constitution that provides that the accounting officer of a County public entity is accountable to the County Assembly for its financial management.

The queries raised in the audit report relating to the following areas;

- Presentation of Financial Statements (Improper identification of statements).
- Inaccuracies in Financial statements.
- Trade and other receivables.
- Unaccounted for water.
- Going concern.
- Corporate Governance Board of Directors.

Details of financial statements

The query on the presentation of financial statements; the following discrepancies were noted between note numbers shown on the face of the financial statements and those indicated in the notes to the financial statements.

Item	Notes on the face of the statements	Note number in the notes to the financial statements
Ordinary share capital	11	12
Retained earnings	12	13
Grants	13	14
Customer deposits	15	16

Therefore, the financial statements are not properly identified and do not wholly conform to the format prescribed by the Public Sector Accounting Standards Board. The Accounting Officer responded that the discrepancies were as a result of typing error and were corrected and forwarded to the office of Auditor General for verification.

The committee confirmed that the corrected section of the financial statements was forwarded to the Auditor General for verification but informed the officer on the need to be keen in reading and preparing financial statements to avoid contradictory information.

The query on inaccuracies in the financial statements

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(i) The following castings error have been noted in financial statements

Item	Figure shown	Re-cast balance	Diff (Ksh)
Statement of comprehensive Income Expenses	20,591,891	20,637,200	(45,309)
Note 4(b) staff cost	6,064,513	6,064,649	(136)
Statement of cash flow Decrease in cash and cash equivalents	(7,699)	(2,618,907)	2,611,208

The management responded that the discrepancies were noted during the audit period and a copy of the amended accounts was forwarded to the office of Auditor General.

(ii) The statement of financial position reflects decrease in trade receivables by Ksh. 1,441,560 and decrease in other payables by Ksh. 2,180,203 but the statement of cash flows reflects nil movement of both items. The Management responded that a copy of the corrected cash flow was prepared and forwarded to the office of the Auditor General for verification.

(iii) The statements of cash flow also include deferred income of Ksh. 1,573,643, a non-cash receipt, which has been incorrectly added to, instead of being deducted from. Cash generated from operating activities.

The Accounting Officer (Management) responded that the disparity was noted and amended and a copy of the correct cash flow forwarded to the office of the Auditor General for verification.

In the queries (i) (ii) and (iii), all concerning inaccuracies in the entries of the financial statements the committee observed that the Accounting Officer and his staff were not keen in recording entries in the financial statements casting doubt in their level of competence.

This is in contravention of Article 232(1) of the constitution that provides that values and principles of public service includes high standards of professional ethics, accountability for administrative acts and transparency and provision to the public of timely and accurate information. The members further confirmed that the corrected (amended) financial statements were all received by the Auditor for verification but later after the Audit exercise.

(iv) Note 7 to the financial statements reflect deferred income closing balance of Ksh. 9,875,358. However, the closing balance of Ksh .9, 875,358 has not been shown in the statement of financial position as at 30th June, 2016. In the circumstance, the accuracy of the financial statements for the year ended 30th June, 2016 cannot be confirmed.

The response from the Accounting Officer was that only the amount that relates to the current financial years has been charged in the financial statements. The closing balance is an accumulation since the time of formation of the company so could not be shown in the financial statements. On this matter the committee was contented with the response.

On the Query of trade and other receivables

The financial statements reflect trade and other receivables balance of Ksh. 4,812,587 as of 30th June, 2016 as disclosed at Note (8) of the statements. The trade and other receivable balance is net provision for bad and doubtful debts of Ksh. 274,320. The provision appears inadequate as it is equivalent to only 10 per cent of the total inactive debts totaling Ksh. 2,743,203 as at 30th June, 2016. Consequently, the full recoverability of trade and other receivables balance of Ksh. 4,812,587 as of 30th June, 2016 cannot be confirmed.

The Accounting Officer responded that he has advised the Board of Directors based on the ageing analysis to completely write off some of the debts of inactive accounts whose connections were disconnected long before the formation of the company.

The committee observed that there is a duplication of roles between the County Government and Mwala Water Company because the County Government is offering free water by sinking boreholes in the various wards. The defaulters, therefore, have an option of getting free water and so chances of paying the debts is very low considering also the level of poverty in the rural community.

It was also observed that Wamunyu Scheme, through the intervention of the Department of Water Machakos County pulled out of Mwala Water Company and the scheme is now run by the community as an independent entity and that most of the defaulters are from this scheme.

The committee discouraged the opinion of writing off some of the debts owing to the fact that the defaulters can be traced and by writing off debts is killing the company hence the spirit of devolution will be lost. The committee was also informed that the company is handicapped in terms of taking legal action on the defaulters because of financial constraints.

On the Query of Unaccounted for Water

Records available indicate that in the year 2015/2016, the company produced 183,561 cubic meters (m³) of water, out of which 112,898 m³ or about 62 per cent of the total volume produced was billed to customers. The balance of 70,665m³ or approximately 38 per cent of the total output was not billed to customers.

During the year under review, the average selling price of each cubic meter of water was Ksh.107 hence the estimated loss from unaccounted for water was Ksh. 7,561,155. The allowable loss limit for the industry is set at 25 per cent of production hence the abnormal loss incurred by the company from unbilled production amounted to Ksh. 2,650,898.

The Management responded that the Unaccounted For Water occurred due to an old dilapidated pipeline which was inherited from the government and is being rehabilitated by a project funded by World Bank. The company is also building pressure breakpoint tanks to ease pressure in pipelines. Further, the management has established a revenue water committee and is sensitizing consumers on the importance of managing water to reduce/eliminate wastage.

The Committee noted that the company has been funded Ksh. 54 Million to rehabilitate the whole water system. This money has been kept by TanaAthi Company who are the main client. The contractor who is doing the rehabilitation work is on site and work has commenced.

In addition, based on the findings of the committee, the Mwala Water and Sewerage Company system was installed many years back and because of this undetected pipe breakages resulting either from construction activities or chemical reactions in the soil and illegal connections are expected.

As a Going concern Query

As reflected in the statements of comprehensive income and financial position at pages 1 and 2, in the year 2015/2016 the company recorded a loss of Ksh. 741,900, and in the year 2014/2015 a loss of Ksh. 485,228 resulting in depletion of general reserves from negative Ksh. 4,567,524 as at 30th June, 2015 to negative Ksh. 5,309,424 as at 30th June, 2016.

Further, the current liabilities of Ksh. 8,391,345 as at 30th June, 2016 exceeded the current assets of Ksh. 5,171,415 by Ksh. 3,219,930. This indicates the existence of a material uncertainty which may cast significant doubt about the ability of Mwala Water and Sanitation Company Limited to continue as a going concern.

Management responded that the company has been incurring huge expenditure in its operation and this has been attributed by high electricity bills. The company has developed proposals for having a gravitational flow of water as a remedy for reduction of high electricity bills.

The committee observed that upon payment of debts totaling to Ksh. 4,812,587 as stated in the query of Trade and other receivables, this can reduce the liabilities and improve performance of the company. Again by initiating the proposed project of supplying water using gravitational force, it will be a cheap venture and this will reduce liabilities resulting from high electricity bills.

On the query of Corporate Governance and the Board of Directors

As reported in 2014/2015, the current Board of Directors comprises seven Directors. However, as stipulated in terms of their appointment letters pursuant to the company's articles and memorandum of association, the term of five Directors expired in 2013 having served for three years from February, 2010.

Therefore, the Board is in office illegally. Consequently, any actions or decisions taken by the board on behalf of the company may not be legally binding should these be disputed by third parties.

The Accounting Officer responded that the company, in collaboration with County Government of Machakos and Tanathi Water Service Board held Annual General Meeting on 30th June, 2017 where the retirement of Board members whose term had expired took place. The Committee confirmed that currently, the company does not have a complete Board of Directors

On the query of Late Submission of Financial Statement

Section 47 of the Public Audit Act, 2015 requires every state corporation to prepare and submit its financial statements to the Auditor-General within three months after the end of the financial year to which the accounts relate. However, the company's financial statements for the year ended 30th June, 2016 were submitted to the Auditor-General on 10th November, 2016, one month after the deadline of 30th September, 2016. The company, therefore, breached the law on financial reporting.

The Accounting Officer in response said that being the second time for the company to be audited by the Auditor General, the company had really improved on financial reporting and will be able to meet the deadlines in future.

The committee noted that the Accounting Officer did not give factual reasons as to why the financial statements were not submitted on time and that the company was not sensitive to public audit standards and practices.

General observations of the committee

1. The Company lacks qualified personnel who are conversant with standards and format of preparing financial reports. This is evident from the many errors and inaccuracies arising in the queries which were also confessed by the Accounting Officer.
2. The total debt stated under Trade and other receivables is Ksh. 4,812,587 out of which Ksh. 2,743,203 is classified as inactive debts and Ksh. 274,320 as bad or doubtful debts leaving a balance of Ksh. 1,795,064 as active debts.
3. The unbilled water (Non-Revenue Water) amounted to Ksh. 2,650,898 which with proper collection mechanism can be recovered.
4. The current liabilities of Ksh. 8,391,345 exceeded the current assets of Ksh. 5,171,415 by Ksh. 3,219,930 as at 30th June, 2016. Further, from 2014 to 2016, the company recorded an increase in losses.
5. At the time of interrogation, the company had not constituted the Management Board yet and that key decisions on how to address the huge liabilities and approaches of reducing the Unaccounted For Water cannot be made and if made they cannot be legally binding.
6. The Company contravened Section 47 (1) of the Public Audit Act, 2015 that states that “the financial statements required under the Constitution, the Public Finance Management Act, 2012 (No. 18 of 2012) and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

Committee recommendations

Based on the above key observations the committee recommends as follows;

1. On trade and other receivables, the company should partner with the neighboring water schemes to blacklist the defaulters who have a habit of defaulting then joining other schemes. Also, there is a need to set a maximum consumption level of water above which the company should disconnect the supply to the customer. This will reduce the risk of non-payment.
2. On the query of unaccounted for Water, the company should sharpen its monitoring system. This will arrest water losses resulting from pipe breakages and illegal connections. The end result will be a reduction in the Unaccounted for Water.
3. The County Government of Machakos should write off some of the old debts pursuant to Section 150 (2) of the Public Finance Management Act, 2012 that states that “an Accounting Officer for a County Government entity, may with the approval of the County Executive Committee member for finance, write off a loss exceeding the amount referred to in subsection (1) but not exceeding a further amount, and in circumstances prescribed by the regulations approved by Parliament.”
This is because based on the current situation it seems impossible for the company to recover the huge debts.
4. On the query of corporate governance the Committee recommended that within 90 days, the company should in consultation with Tanathi Water Services Board organize for an AGM and appoint new Directors as provided in Section 132 (1) of the Companies Act No. 17 of 2015 that states that “a public company shall ensure that at appointment of director during public general meeting of the company, a motion for the company. Appointment of two or more persons as directors of the company by a single resolution is moved only if a resolution that it should be so moved has first been agreed to by the meeting without any vote being cast against it.”

5. On late submission of Financial Statements, the Committee confirmed that the company contravened Section 13 (1) of the Public Audit Act, 2003 and recommended that any future reports intended for submission to the office of Auditor-General should be within the time limit stipulated failure to which provisions of Section 47(1) of Public Audit Act, 2015 on Audit offences should be invoked.

As a conclusion Madam Speaker, on 22nd October, 2013, the World Bank reported that smooth devolution of water services calls for County leadership to drive reforms without disrupting services. It was also stated that well-performing water companies play an indispensable role in strengthening the legitimacy of Counties and therefore there is a need to budget for the sustenance of water services. Mwala water company is one among the upcoming water companies hence the need for the County Government of Machakos to intervene to promote its service delivery.

It is, therefore, Madam Speaker, my privilege and pleasure on behalf of Public Accounts and Investments Committee to table before this Hon. House the report on Financial Statements of Mwala Water and Sewerage Company for the year ended 30th June, 2016 for discussion and adoption. Thank you, Madam Speaker.

(Applause)

Hon. Speaker: Thank you, Hon. Musau for that real recap with a lot of precision. Hon. Members, I appreciate that the question had been proposed earlier but because of the fresh recap of the report allow me to propose the question.

(Question proposed)

Hon. Members, I invite you to debate the motion. Hon. Museku.

Hon. Museku: Thank you, Madam Speaker. First of all, I would like to thank the Chairman PAIC Hon. Musau and his team for a job well done in the analysis of the financial statements in the audit report which was represented through the PAIC committee from this Mwala Water and Sewerage Company.

As the public Accounts and Investments committee title dictates there is investment and these water companies are part of the investments which the county makes in going concerns in service provision to the people.

Looking at this report which has been presented here, it is abundantly clear that there is a lot of mismanagement in as far as the running on these companies is concerned and specifically this one for Mwala Water and Sewerage Company.

If you look at the findings which the Auditor has come up with ranging from simple clerical errors which is not something you would expect of a company which is preparing listed financial statements, somebody makes a simple casting error from one statement to another statement referring to the same document.

Further analysis going down you find their inability to collect money has led to rising trade receivables of the company to the level that we have Ksh. 4,812,000 outstanding as at that period uncollected yet the provisions are made in their books for that year was totaling to only Ksh. 274,320; 10 per cent.

Obviously, this debt has been accumulating, the trade receivables and looking at the report the management has not given any answer which can be able to be taken as a serious answer in as far as their commitment to collecting the trade receivables was concerned. Instead, they are actually blaming the county government for providing free water to people which has led to their customers running away and fetching water from the other people.

This company has been making losses; you look at it consistently as a going concern the question of going concern is that year in year out the company has been making consistent losses which questions its ability to continue as a going concern.

Compounded to that, if you look at the unaccounted for water, sometimes when these things are put in cubic meters or numbers, you do not seem to understand clearly what it is. If you look at page 9, at the top, it says 'the balance of 70,665m³ or approximately 38 per cent of the total output was not billed to customers. 70,665m³, Hon. Members, we are talking about 70 million litres; when it is put in cubic meters you might not be able to understand.

We are talking about 70 million litres which were not billed to customers. If a company is running, collecting and distributing water and it is not able to account for 70 million litres, how is it going to continue as a going concern. The allowable loss in the industry is 25 per cent.

So, this company lost Ksh. 7.5 million in that year instead of the allowed Ksh. 2.6 million they lost Ksh. 5 million just because they could not be able to account for water. They talked about upgrading of the systems and some money that has been pumped in there, Ksh. 54 million shillings to upgrade the systems of the water.

I think as an Assembly and as a committee which works on oversight and making sure that this investment become investments and it should bring a return, we need to be able to come out with strict ways of ensuring that the companies where the county invests in are run by professionals and not political appointees who just end up running down the companies as you can see hear.

We have to make a differentiation between an investment where we are going to pump county money into with the expectation of getting returns from it and make sure it is being run by professionals and differentiate that from making political appointments just to appease certain people because looking at it, the board which has been running this company, year in year out, as you saw there had not even been properly incorporated and people are allowing that to continue.

The executive is allowing that to continue, allowing a company to continue running without a properly constituted board of directors. We cannot sit back and keep our eyes from what the Auditor General is pointing out what he is pointing out is that we are making decisions which are not sound as a County Government of Machakos and we are putting investments in areas which are not able to bring returns to the people of Machakos.

Therefore, I would urge this House to adopt this report because it has got very good recommendations but to also implore the executive to ensure that wherever it makes investments especially in companies which are providing essentials like water then we use professionalism as the basis of appointment of people to the board.

I was lucky to have been invited in this specific committee and asked to I asked them who sits in the board and among the people whom I was told in that board one of them is a certified public accountant and I questioned the appointment of that person and whether he actually participates in the board if the company does not have a qualified accountant who can be able to provide to prepare its financial statements and has got clerical errors in it yet they have somebody in the board who is supposed to be assisting the company in running that department.

I urge the executive to re-look at all the companies which we have in Machakos and other investment companies and come with ways of ensuring they are being professionally run so that we avoid getting such scandalous audit reports on companies which are associated with us. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Museku. Hon. Mueni.

Hon. (Ms.) Mueni: Thank you, Madam Speaker. Mine is to ask the committee to get the names of the people who have been handling that money to be taken to the police so that the executive can find them there to solve the problem but not when they are at their homes.

The other thing, Madam Speaker I am asking this Assembly not to be coming and signing and go out they can be taken to the anti-corruption. They are losing interest too early because, Madam Speaker, even when we are having quorum there are no members in the Assembly and they are losing interest of the Assembly too early.

You are soon going home and you will be asking for permission from the gate to get in the Assembly; be careful and not see that this is a permanent job you are not doing anything to your ward; you are wasting public money.

So, the people can---

(Loud consultations)

Madam Speaker, just defend me because those are the people who are doing a lot of nothing in this Assembly and they seem to be doing something which is not. You cannot serve someone if you come to this Assembly. If you continue serving somebody, you will go home and leave that person in his office.

Madam Speaker, I can see Mheshimiwa Nziva talking to her friend but that is the truth of the whole matter you get the information. Thank you, Madam Speaker.

(Applause)

Hon. Speaker: Hon. Mitaa.

Hon. Mitaa: Thank you Madam Speaker for granting me this opportunity to support the report by PAIC and I wish to thank the chairman and the whole team for the god job they have done on the financial statements of Mwala Water and Sewerage Company.

Madam Speaker, I think going through the report, I have noted that there is potential in this institutions if only the facilities are run professionally hence there is a need for qualified staff, a need to hold those in the office accountable so that in case of any audit query, we might know the relevant people to follow.

On the same note, Madam Speaker, I have noted that there is so much wastage of water hence there is need for upgrading of the system to minimize on the water loss. I think it happened, Madam Speaker, I was invited when that committee was going on ground and we saw the facility.

I think it is an investment we cannot assume, which we have to nurture. The people there have a water problem and there is a need for these facilities to be upgraded so that people can enjoy the resources which are available. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Mitaa. Hon. Hellen Ndeti.

Hon. (Ms.) Ndeti: Thank you, Madam Speaker. I stand to support the report because I feel that there are very many anomalies that will see this water company going to its knees and what I would recommend is that the ministry within the county that is responsible should take time to go and look at all these recommendations that have been made in the report.

I also would like without having to repeat what has been said I would like to say that these directors who are in the office illegally; if they have been drawing allowances, they should be made to reimburse those allowances to the water company. Thank you.

Hon. Speaker: Thank you Hon. Members.

(Question put and agreed to)

ADJOURNMENT

Hon. Speaker: Hon. Members, at this juncture, the sitting will start adjourned to resume at 2.30 p.m. on 24th July, 2018; that is today in the afternoon. Thank you.

The House rose at 11.15 a.m.