

**REPUBLIC OF KENYA**  
**MACHAKOS COUNTY ASSEMBLY**

**OFFICIAL REPORT**

**Tuesday, 16<sup>th</sup> May, 2017**

The House met at 10.03 a.m.

*[The Speaker (Hon. Mung'ata) in the Chair]*

**PRAYERS**

**Hon. Speaker:** Good morning Hon. Members.

**PAPER LAID**

AUDIT REPORT FOR MATUNGULU-KANGUNDO WATER AND SEWERAGE COMPANY

**Hon. Kanui:** Mr. Speaker, I wish to say I am sorry for the delay. I got held up in traffic jam and I think we will continue. Mr. Speaker, Sir, I beg to lay the following paper on the table of the House today, 16<sup>th</sup> May 2017: report of the Auditor General on the financial statements of Matungulu-Kangundo Water and Sewerage Company for the year ended 30<sup>th</sup> June, 2015 by the Public Accounts and Investments committee. Thank you, Mr. Speaker, Sir.

**NOTICE OF MOTION**

AUDIT REPORT FOR MATUNGULU-KANGUNDO WATER AND SEWERAGE COMPANY

**Hon. Kanui:** Mr. Speaker, Sir, I wish to give notice of the following motion: the report of the Auditor General on the financial statements of Matungulu-Kangundo Water and Sewerage Company for the year ended 30<sup>th</sup> June, 2015 by the Public Accounts and Investments committee. Thank you, Mr. Speaker, Sir.

**MOTION**

AUDIT REPORT FOR MATUNGULU-KANGUNDO WATER AND SEWERAGE COMPANY

**Hon. Kanui:** Mr. Speaker, Sir,

THAT aware that some of the mandate of the Public Accounts and Investments committee are as per Standing Order 185(2);

The examination of the accounts showing the appropriation of 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 and also the examination of the reports, accounts and workings of the county public investments;

Mr. Speaker, Sir, aware THAT it is the responsibility of all audited departments to submit financial statements to the Auditor General in accordance with the provisions of section four of the Public Audit Act, 2003;

Aware THAT accountability is very key in realizing the value for public money, I wish to move the motion that this Hon. House discusses and approves the report of the Auditor General by the Public Accounts and Investments committee on the financial statements of Matungulu-Kangundo Water and Sewerage Company for the year ended 30<sup>th</sup> June, 2015.

I wish to call upon Hon. Margaret Ndalana to second this motion.

**Hon (Ms.) Ndalana:** Mr. Speaker, Sir, I wish to second the motion tabled in this House and urge the Members to debate on it and approve the report which will also make the committee able to take other reports which are waiting to be tabled. Thank you, Mr. Speaker, Sir.

**Hon. Kanui:** Mr. Speaker, Sir, on behalf of members of the Machakos County Assembly Public Accounts and Investments Committee, I beg to move for the adoption of the report of the Auditor-General on the Financial Statements of Matungulu-Kangundo Water And Sewerage Company for the year ended 30<sup>th</sup> June, 2015.

The Public Accounts and Investments Committee is a select Committee established under Standing Order 185 and is responsible for the examination of the working of public the accounts and investments. The committee was constituted by the Assembly in April, 2013 pursuant to Standing Order 185.

Pursuant to Standing Order 185(1) and 185(2), there shall be a select committee to be designated the County Public Accounts and Investment Committee which shall be responsible for the following:-

- 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 principles or business principles and prudent commercial practices: Provided that the Committee shall not examine any of the following, namely:
  - i). Matters of major County or National Government policy as distinct from the business and commercial functions of the public investments;
  - ii). Matters of day-to-day administration; and

iii).Matters for the consideration of which machinery is established by any special statute under which a particular county public investment is established.

Mr Speaker, Sir, this report was deliberated and approved by the undersigned committee members:-

1. Hon. Winston M.Kanui
2. Hon. (Ms.) Margaret Ndalana
3. Hon. Thomas Kasoa
4. Hon. Mutua Mutuku

The committee acknowledges the assistance of the following members of the staff in collecting the evidence, analysing reports and organizing the final report.

1. Ruth Mwaniki - Senior Clerk Assistant
2. Susan Kanini - Senior Internal Auditor
3. Dalmas Masila - Senior Research Officer
4. Rebecca Mutua - Senior Fiscal Analyst
5. Mercy Ndambuki - Hansard Officer

The committee also acknowledges the technical assistance of the following staff from the Kenya National Audit Office during the report interrogations.

1. Mr. Peter Ndegwa
2. Mr. Henry Manegene
3. Mr. Sam Nyamamba

The committee commenced its sittings in the month of March, 2017 and held several sittings in which the relevant Accounting Officer appeared before the committee to respond to queries which had been raised by the Auditor General in the audit report.

The committee had an opportunity to site visit some of the projects that had been raised in the Auditor's report. For instance the committee visited some boreholes and areas where piping had been done by the Matungulu-Kangundo Water and Sewerage Company.

Mr Speaker, Sir, allow me to thank the Members of the committee for their efforts, commitment and exemplary performance in ensuring the successful production of this report. The committee has documented their observations and given their recommendations through consensus after thorough deliberations. The committee hopes that their recommendations and those given by Auditor General will be implemented fully.

Stated here below is a summary of the committee's observations and recommendations on some of the main queries raised in the Auditor General's report:-

1. The information and explanations presented by the management of the company were satisfactory.
2. Proper books of account had been kept by the company.

3. The company statements of financial position and comprehensive income statements were in agreement with the books of the account.

The committee further observed that failure by the management to address audit queries raised by the Auditor General and lack of availing documents during the time of audit resulted to some queries recurring in the main report.

Mr. Speaker, Sir, Standing Order 181 states that within sixty days of a resolution of the House or adoption of the report of the select committee, the relevant Executive Committee Member under whose portfolio the implementation of the resolution falls shall provide a report to the relevant committee of the House in accordance with Article 183 (3) of the Constitution. Mr Speaker, Sir, in this case, the management of Matungulu-Kangundo Water and Sewerage Company is responsible for implementing the recommendations made in this report.

The committee would like to appreciate the Speaker and the Clerk of the Machakos County Assembly for facilitating the operations of the committee. The committee also wishes to appreciate the officers who were invited to give evidence. Further, the committee is indebted to the secretariat of Machakos County Assembly and the Kenya National Audit Office for the services rendered. The commitment and dedication of all the parties mentioned above made the programme of the committee smooth and production of this report successful.

Mr. Speaker, Sir, on behalf of the committee, I wish to table the report and urge the House to adopt it and therein make recommendations as they would wish. Thank you, Mr. Speaker, Sir.

That is the report of the Matungulu/Kangundo Water and Sewerage Company and I think members you will show concern and discuss the report because we have other reports which are pending and the committee wishes to table the reports before the end of the session of this House. Thank you Mr. Speaker, Sir.

**Hon. Speaker:** Thank you. Hon. Members, the report is now tabled. You may now contribute.

*(Silence)*

I take it that the report is good. I now proceed to put the question.

*(Question put and agreed to)*

## **ADJOURNMENT**

**Hon. Speaker:** The House adjourns.

The House rose at 10.18 a.m.