

REPUBLIC OF KENYA
COUNTY ASSEMBLY OF MACHAKOS

OFFICIAL REPORT

Tuesday, 1st October, 2024

The House met at 11.22 a.m.

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

PRAYERS

PAPER LAID

STATUS OF STALLED ECDE CLASSES WITHIN THE COUNTY

Hon. Speaker: May I invite Hon. Anastasia Mutevu to come forward and lay a Paper before us.

Hon. Annastacia Mutevu (Nominated, WDM-K): Thank you, Hon. Speaker. Hon. Speaker, I wish to lay the following Paper on the Table of the Assembly today, Wednesday, 2nd October, 2024; the Report of Education and Social Services Committee on the status of stalled ECDE classes within the County. Thank you, Madam Speaker,

Hon. Speaker: Thank you, Hon. Member.

NOTICE OF MOTION

STATUS OF STALLED ECDE CLASSES WITHIN THE COUNTY

Hon. Speaker: May I invite Hon. Anastasia Mutevu to come forward and give Notice of Motion.

Hon. Annastacia Mutevu (Nominated, WDM-K): Thank you, Hon. Speaker. Hon. Speaker, pursuant to Standing Order 190(5), I wish to give notice of the motion THAT, this Assembly adopts the Report of Education and Social Services Committee on the status of stalled ECDE classes within the County tabled in the House on 2nd October, 2024. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Member.

STATEMENT REPLY

STALLED ROADS IN MATUU WARD

Hon. Speaker: May I invite Hon. Muoki to come forward to reply to a request that was made by Hon. Ndawa. I understand Hon. Ndawa is not in but maybe we can hear from Hon. Muoki.

Hon. Muoki wa Musila (Ndithini, WDM-K): Thank you, Hon. Speaker. I am here to reply to a Statement by Hon. Ndawa who is not in and as such I would request that it is deferred to the House Business Committee for mention another day. Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Member. The response is differed to the House Business for balloting.

(Statement deferred)

MOTION

FINANCIAL STATEMENT OF MAVOKO WATER AND SANITATION COMPANY LIMITED FOR THE YEAR ENDED 30TH JUNE, 2022

Hon. Speaker: May I at this point invite Hon. Philip Ndolo, Chairperson, Public Accounts and Investments Committee to come forward and move the motion. Hon. Muoki, are you holding brief?

Hon. Muoki wa Musila (Ndithini, WDM-K): Thank you and I am standing in for Hon. Ndolo.

Hon. Speaker, I wish to move the motion THAT, pursuant to Standing Order 185, this House adopts the Report of the Public Accounts and Investment Committee on the consideration of the Report of the Auditor-General on the Financial Statements of Mavoko Water and Sanitation Company Limited for the year ended 30th June, 2022 laid on the Table of the House on 3rd September, 2024.

I wish to call Hon. Mbuva to second the motion.

Hon. Charles Mbuva (Kangundo West, GDDP): Thank you. I do second.

Hon. Speaker: Thank you, Hon. Mbuva.

(Question proposed)

Before I invite Members to debate on this motion, I invite the mover to come and highlight on the report. Hon. Muoki.

Hon. Muoki wa Musila (Ndithini, WDM-K): Thank you, Madam Speaker. Report of the Auditor-General on the Financial Statement of Mavoko Water---

Hon. Speaker: Let us first agree on how much you are going to highlight?

Hon. Muoki wa Musila (Ndithini, WDM-K): Yes, Madam Speaker. I wanted to read the heading then I come to that with your permission.

Hon. Speaker: Okay.

Hon. Muoki wa Musila (Ndithini, WDM-K): Thank you, Madam Speaker. Report of the Auditor-General on the Financial Statement of Mavoko Water and Sanitation Company Limited for the year ended 30th June, 2022. With your permission Madam Speaker, I wanted to read the Executive summary and move on to the Committee general observations, Committee general recommendations and conclusion on acknowledgement.

Hon. Speaker: I think that is in order, proceed in that manner.

Hon. Muoki wa Musila (Ndithini, WDM-K): Thank you, Madam Speaker.

Executive summary

The Auditor Report of the Financial Statements of Mavoko Water and Sanitation Company Limited for the year ended 30th June, 2022 was received in the Assembly on 10th March, 2023 pursuant to Article 229(7) of the Constitution. On receiving of the Auditor report it was committed to Public Accounts and Investments committee Pursuant to Standing Order 185(2)(b) and (c) and the report is a qualified opinion. The committee on public accounts while exercising its mandate as provided in Standing Order 185 invited the Accounting Officer and conducted interrogation on the Audit report on 12th April, 2022 pursuant to the provisions of Article 226(2) of the Constitution.

The queries raised by the Auditor General as the basis for the qualified opinion includes inaccuracies in trade and other receivables, long outstanding current and other payables, unsupported written off of bad debt, unsupported negative water consumption, unsupported imprest and unsupported customer deposits. The committee after scrutiny of the various queries noted key observations such as errors resulting during transfer of figures, lack of supportive schedules, positive progress in selling of the payables, non-disclosure of board approvals for bad debt, faulty metres leading to errors in billing, lack of proper imprest policy and related documents and good progress in payment of customer deposits.

Hon. Speaker, considering the above observations the committee made recommendations such as forwarding to the Auditor general the amended statement indicating the correct variance of Ksh. 9, 905,565.00 and supporting schedules of receiver of balance of Ksh. 7,957,332.00 the board to amend their debt policy to take care of long standing and un recoverable debts, the company should develop and implementable payment plan for the un-repaid customer deposit of Ksh. 19,315,754.00 to avoid this query from recurring among other recommendations.

COMMITTEE GENERAL OBSERVATIONS

Hon. Speaker, after considering the queries and the basis of qualified opinion, the committee makes the following general observations:

(a) On the query of trade and Trade and other receivables the committee observes as follows:

1. The correct value for the other receivables was Ksh. 29,873,134.00 but not Ksh. 20,779,669.00 the variance of Ksh. 9,905,565.00 stated in the query was a transfer error from the accounting software to the financial report.
2. The long outstanding debt totalling to Ksh. 76,296,805.00 the committee noted from the evidence provided that the management was making efforts to recover the debts through constant reminders in social media, bulk SMSs, individual calls, fixing posters in strategic places, use of debt collectors and disconnecting the concerned customers.

3. The Schedule supporting receivable balance of Ksh. 7,957,332.00 were not provided to the Auditors contrary to Section 9 of the Public Accounts public audit Act, 2015 that gives the Auditor General unrestricted access to information and books.
- (b) On the long outstanding current and other payables, the committee observed that:
 - (i) The variance of Ksh. 6,938,693.00 raised in the query has been included in the normal trade activities amounting to Ksh. 97,267,610.00 hence the response by the accounting officer on this item was satisfactory.
 - (ii) The management has put in place strategies to settle the payable state in the edge analysis ledger within the shortest time possible.
- (c) The query of unsupported written off bad debt was also observed that the board of management approved a written off of bad debt of Ksh. 56,339,812.00 high above the policy provision of Ksh. 11,559,252.00. The rationale for this decision as submitted by the accounting officer was that most of the debts were long overdue hence unrecoverable. However, this was contrary to the company debt policy.
 - (ii) Further, some customers featuring in the debt had migrated from the area following the demolition done during the Mombasa Road expansion hence difficulties to access them. However, information relating to the board decision to write off bad debts above the policy provision was not provided to the Auditors during that time.
- (d) On the query of unsupported negative water consumption meter reading, it was noted that:
 - (i) The negative meter reading stated in the query occurred during the faulty meter but after system detection, an estimate reading was raised which was further used to compute the customer bill. The company since intervened on the matter by replacing such faulty meters.
- (e) On the query on unsupported imprest, the committee observed that:
 - (i) The imprest holders of Ksh. 9,935,777.00 stated in the query had documents to support their expenditures, invitation letters, travel documents, attendance registers but the Company did not have an imprest register, imprest warrant and imprest surrender policy documents for accounting the issued imprests.
- f). On the query on unsupported Customer Deposits, it was noted that:
 - i. The Board, approved utilization of Ksh. 24,000,000 from the Customer deposits account, however supportive documents such as certificate of bank balance, bank statements, reconciliations and customer deposit ledger schedules were not provided for audit review.
 - ii. The Company is undertaking repayment of the customer deposits and as the time of interrogation Ksh. 2,342,123 has been repaid.

COMMITTEE GENERAL RECOMMENDATIONS

Hon. Speaker, after considering the above general observations the Committee makes the following recommendations:

- a) In relation to the Query on Trade and Other Receivables, the committee recommends that;
 - i. The Accounting Officer should forward to the Auditor general the amended statement indicating the corrected variance of Ksh. 9,905,565 in order to necessitate closure of the query.

- ii. The Management should enforce the debt collection measures stated in the response to ensure that the uncollected receivables of Ksh. 76,296,805 are paid in full to avoid the query from recurring.
 - iii. The supporting Schedules of receivable balance of Ksh. 7,957,332 should also be forwarded to the Auditor General for verification and subsequent closure of the query.
- b) On the query on Long Outstanding current and other payables, it was recommended that:
- i). The unsettled payables amounting to Ksh. 90,333,626 should be paid to evade possible penalties from the creditors since the Company currently has enough water supply and water sales are expected to improve.
 - ii). The Board should amend their debt policy to reflect a more realistic provision on declaration of bad debts.
 - c) On the query on unsupported written off bad debts, the committee recommended that the Accounting Officer should for purposes of future reports disclose all decisions communicated from the Board to the Auditors to avoid unnecessary queries from featuring in the audit certificate.
 - d) On Unsupported imprests the Committee recommended that the imprest policy documents stated in the management response should be forwarded to the Auditor General for verification to necessitate subsequent closure of the query.
 - e) On Unsupported Customer Deposits' query the Committee recommended that the Company should develop an implementable payment plan for the unpaid customer deposit of Ksh. 19,315,754 to avoid this query from recurring.
 - f) Pursuant to the provisions of Section 53(1) of the Public Audit Act 2015, the Committee recommends that the Accounting Officer should within 90 days after approval of this report take the relevant steps to implement the recommendations in this report or give an explanation in writing to the Assembly why the report is not implemented.

CONCLUSION AND ACKNOWLEDGEMENT

Hon. Speaker, the Audit report on financial statements of Mavoko Water and Sanitation Company for the year ended 30th June, 2022 is Qualified Opinion. This implies that the report fairly represents the financial position in the year in question. It indicates well that if the matters raised by the Committee are considered in addition to proper internal controls, compliance and observance of disclosure of information, a positive shift in preparation of good financial statements will be realized.

Hon. Speaker, the Committee on Public Accounts and Investments is grateful to your Office for facilitating this committee to undertake this mandate, the managing director for honoring committee invitation to respond on queries raised, the Office of the Auditor General for the advisory given to the Members of the committee and the secretariat for the commitment and effort throughout the process of report writing. It is therefore my privilege and pleasure on behalf of the PAIC Committee to table before this House the report of financial statements of Mavoko Water and Sanitation Company for the financial year ended 30th June 2022 for discussion and adoption. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Member. I invite Members to debate this motion. Hon. Ndeti and Hon. Mbuva; in that order.

Hon. Helen Ndeti (Nominated, WDM-K): Thank you, Madam Speaker. I appreciate the PAIC committee for a well-written report and I want to say that we all know that in the report, they have not complained about lack of water but when you follow the report, the issues articulated are lack of proper controls. I thank God the report is qualified meaning there are documentations and they are able to follow what they are doing but when you look critically, the management needs to be improved, they need proper systems to help them in billing of water.

If some meters are not working and others are not able to sense where there is water leakage, then we end up losing a lot of water. What I would recommend is that; they need to improve the internal controls and invest in a system that will give them smart billing gadgets. That way this company should be able to make money for this County. Thank you, Madam Speaker.

(Applause)

Hon. Speaker: Thank you, Hon. Member.

Hon. Charles Mbuva (Kangundo West, GDDP): Thank you, Madam Speaker. Madam Speaker, I sit in the PAIC and I have had occasions to interact with the various reports of the Auditor General from the various water companies in our County of Machakos. Mavoko Water and Sanitation Company is one of the best performing water companies if not the best in the County of Machakos. I say that comparing it with other water companies across the County. When we went through the report and looked at the various audit queries, although you could realize gaps here and there as you have heard from the recommendations, by and large, they have better systems.

I will point out few areas where there is always room for improvement. One of the things coming out from this report first is the capacity of the accounting officers. Some of the audit queries which are coming out of these water companies are not necessarily actions which could not have been avoided. Sometimes, it is misrepresentation and when we sit with the accounting officers, you find the accountant who has prepared this report and who is supposed to submit documentations to the auditors does not seem to understand until when the auditor is guiding the person who is supposed to prepare the accounting documentation and you realize a query has arisen from nothing. It was just a matter of somebody having the competence and the capacity to do the right thing.

I would strongly propose that these water companies are entities owned by the County of Machakos although they are corporate entities, the shareholders and owner is the County Government of Machakos. It will be right to continue to enhance capacity in the area of accounting to avoid unnecessary audit queries.

Madam Speaker, another area for us to make improvement in the water companies is that area of debts and debts collection. These are businesses and the expectation is as these companies provide the utility of water, they get to perform profitably so that at least they meet their cost and if possible earn the County some revenue. But, if you look at the debt portfolio in this water companies, the County Government is the first culprit; it is the one assisting killing the water companies by not paying their debts.

You talk to the companies for a breakdown and they tell you they have debts of Ksh. 76 million and ask them, who are these people who have not paid your money. You will be surprised it is the mother choking her own child; you will find the nearest Level IV hospital with a bill running into millions. We ask them; what would you enforce if the County Government entities themselves are not paying and they tell us we may enforce! What they do, you know they have to disconnect water to make you feel the pain so that you pay but if they disconnect water for a public hospital, they will get a phone call and it may be coming from very far above and they are required to connect that water.

So, I am driving a point in as much as they make interventions to collect debts from individuals, the County Government, and I am happy with the administration of our beloved Governor, at least the new reporting of the current reports is coming clear that she has given directions that all institutions have a budget and must pay the water component.

(Applause)

There is now a change but interacting with the previous reports we have realized that the water companies had accrued some debts as far as from 2014. Then how would we expect these entities to survive? We will be petitioning and recommending that it should be budgeted as part of pending bills as a way of reviving these water companies because water is very important we have a component in the pending bills that all dues owed to water companies should be settled.

Some of these water companies you realize the struggle they go through; they will tell you some of their staff have gone without salaries for a year. Are those the people we expect to work properly and collect money for the water company when they are suffering?

Madam Speaker, as I conclude, I know the report has said that the company does not have water challenge in the previous reports but now that they have been connected I understand to the new water corridor from Nairobi, the supply is water is no longer a problem but, there is the problem of dilapidated infrastructure. They have said, although they get a lot of water supply, the amount of water they sell at the end meter is far much different and the variance is very big from what they have been supplied with and the actually sell.

This variance is because some of the pipes; the infrastructure is pre-colonial. Some of the pipes which supply water in the residential areas are pre-colonial and they have admitted that in an attempt to do repairs, they cannot locate them. They do not have a mechanism of conducting proper repairs. So, we asked them what is the remedy and they are giving very good proposals. There are modern machines which can be used to trace but they admit these machines are very expensive and the company may not have the capacity through their own revenue to purchase them.

So, what I am thinking is for the County Government to make an intervention either by paying them their debts so that they get capital or injecting some capital so that the companies may acquire the modern equipment that they may require to improve their services. With those few and many remarks, Madam Speaker, I support the report, Thank you.

(Applause)

Hon. Speaker: Thank you, Hon. Mbuva. Very important recommendations there from Hon. Mbuva. What we need to do is to ensure these recommendations are actually implemented through our oversight work. Thank you. Hon. Maitha, Hon. Felix Nguu.

Hon. Dominic Maitha (Muthwani, WDM-K): Thank you, Madam Speaker---

Hon. Speaker: Did I see the hand of Hon. Wanjiru.

Hon. Dominic Maitha (Muthwani, WDM-K): She had raised her hand.

Hon. Speaker: She will be the third one.

Hon. Dominic Maitha (Muthwani, WDM-K): Madam Speaker, I stand here a very disturbed person. The report before us has been articulated very well by the Chair, Transport Committee who was holding brief for his Chair in public accounts committee and echoed very well by Hon. Mbuva who is a member of that committee. It is like he has read my mind. Madam Speaker, this report leaves more questions than answers. There is a very serious paradox in this that needs to be asked. Madam Speaker, I have always asked myself questions; why is it that the government is almost in control of everything in this country? Lands belongs to the government, natural resources belong to the government. Everything belongs to the government but the biggest complainant is the government itself.

Madam Speaker, I always ask myself again why a company like Kenya Power make losses would yet right now, if power goes off in this room right now we all become incapacitated but they always report losses but for simple reasons; it is because we have not taken our work seriously. If you are in the business of selling air you have to make sure that your air is purified as good as anything else because that is your business.

It is surprising to see a water company like Mavoko water company which I believe is one of the best water companies in Machakos County, coming up with such kind of a report and I am imagining when we get the report of another water company and I wish Hon. Mwonga would have been here to give us an insight because he happens to have been a board Chair of I think Machakos Water Company some few years back and tell us what they went through.

I have listened to the report Madam Speaker, one and what has really worried me; I happen to have been the first public accounts chair after the inauguration of the 2010 Constitution in Machakos County Assembly 2013/2017 though I served for almost two years and then the position was taken over by the opposition which it ought to be like that. Madam Speaker, what Hon. Mbuva has said is the outright truth. Some of the observations that the committee made are outright ignorance first, two, at some point I might not agree a lot with the incapacity aspect because as we know Hon. Members even in this Assembly when we go for recruitment, we just do not recruit for the sake of it. We recruit people with qualifications.

In fact, if there is an entity that has come to realize employs professionals, mostly is the government agencies including the government itself? Very competent, Madam Speaker, because they put the required specifications because of audit queries of what kind of an accounting officer they want. Madam Speaker, the process of audit is very simple even this Assembly the accounting officers can attest before the auditor general writes a report he gives the entity room to provide any necessary information that is required so that it can be in tandem with the law.

Then at the end of the day when such a report comes in then it tells us one thing; there is some laxity somewhere. Somebody sited somewhere in an office is not doing his or her work promptly because they give you a management letter, they give a demand letter until at that point

in time you cannot be able to provide the sufficient information that they are looking for that is at the point when they have to proceed and give the report as it is.

So Madam Speaker, we need to look into ways in which we can enhance. One, it is either the accounting officer is trying to hide some information that they do not want to leak to the public because if you are asked substantiate the difference of Ksh. 9 million and Ksh. 7 million and you cannot be able to provide those documents then there is something fishy, Madam Speaker. That is happening so those are some of the things that as an assembly we need to take seriously.

Madam Speaker, now that the report will be over for implementation, I will have to make sure it is done. I can promise this House because we are not going to become an investigation agency as we were told last week but we shall make sure that these things do not happen again. Madam Speaker, if Mavoko Water Company and other water companies are in the business of selling water, it is saddening to hear that they have bad debts to the tune of Ksh. 76 million. It is a big shame, Madam Speaker. It is an outright; actually somebody ought to be home today.

By the time that bill accrues to Ksh. 79 million that meter-reading employee, what were they doing? It is simple and Madam Speaker, right now this House needs to recommend that all water companies in Machakos County should go to the smart metering system. It is applicable, I was taken to Singapore by this Assembly with Hon. Ngui who is here and visited a water company called Waterways in Singapore. There are using smart meters.

Recently, the committee of environment we were in Mombasa Madam Speaker, and I even said it here when a report was brought here and the company told us they have smart meters whereby you pay first before you consume. So if it is in an apartment every consumer is supposed to buy a token so if you want to buy water for Ksh. 10, you feed your token with Ksh. 10. If it is a company like our hospitals it is the prerogative of the accounting officer in that hospital to make sure that they put budgets and actually Madam Speaker, even the Hon. Members present can attest most of the government agencies within Machakos County that consume Machakos company water, we give them budget for payment of those debts.

They have never come to this House and said we do not have money to pay water debts or to pay electricity debts. It is out of ignoring.

So Madam Speaker, because I would not like to dwell on this matter, we need to ensure we task these institutions with now living with the current technology let them not come and tell us they are lacking money. They are lacking money and they are failing to collect Ksh. 76 million, Madam Speaker? We cannot even go ahead and incur an extra cost to fund these water companies yet their staff cannot be able to collect bills totaling to Ksh. 76 million. So, Madam Speaker, this matter needs to be looked into and what Hon. Mbuva said even in terms of infrastructure; how you expect us to improve the infrastructure if the existing infrastructure that is causing you to accrue debts of Ksh. 76 million you cannot be accountable for Madam Speakers. It is irresponsible and this House needs to take these water companies seriously.

You cannot waive bills totaling to Ksh. 79 million Madam Speaker, and in the business of selling water then you want to close doors and give room to other people. Actually, that is why Madam Speaker, these companies are in very serious competition by the individual water service providers because they are efficient and effective so we need to take this matter serious, Madam Speaker. Inasmuch as I acknowledge Mavoko Water Sewerage Company among others Madam Speaker, we need now to take seriously because if an accounting officer cannot provide prerequisite documents for audit queries then it leaves a question.

If an employee employed to read meters cannot be able to give the actual readings then that employee ought not to work in that institution. If the people who are doing the billing and in the credit department cannot be able to ensure that they enforce collection Madam Speaker, then there needs to be a serious problem in that department. So what we can over emphasize is to make sure that going forward this assembly makes sure that by the time we even allocate budget to clear those pending bills in the departments, they fast give us authentic documentation which will be scrutinized both in the department and in the agency and ensure that for example if Machakos Level V hospital is owed Ksh. 5 million by Machakos Water and Sewerage company even whatever Machakos is giving us is in line with what the institution is trying to tell us.

So, Madam Speaker, we need now to move with seriousness there is a lot these water companies can do but based on this report Madam Speaker, there is a lot of laxity and now we have to wake up and say that enough is enough and they must deliver to the people of Machakos and ensure that the recommendations that this House and the resolutions that this House is going to make are implemented to the letter not just for Mavoko Water and Sewerage Company but for all other county entities whose reports have been brought in this House and need proper implementation.

For that I echo the committee and make sure that we deliver what has been recommended so that we can get the best out of it. Thank you, Madam Speaker.

(Applause)

Hon. Speaker: Thank you very much, Hon. Maitha. That cannot be overemphasized more than you have said it and since we are the ones that make these budgets we should hold accountable people who are supposed to implement whatever we have given out as an Assembly through our oversight. I have said that once again and I want to emphasize that it is important and it goes back and comes back to us why do we have to make these recommendations if we do not ensure they are implemented in the manner they should be.

Why should we have an institution that is making losses yet water is being consumed? Why should we have no supporting documents for any consumption that has been made and payments? Why should it be that way? These are things that are squarely on us Members and we have to be very keen on these matters. Personally, I am a consumer of that water and I do not get....I am supposed to be getting that water, Mavoko ...there is no drop for the last five years so what is that? What are we doing? It is ridiculous. Thank you. Hon. Ngui.

Hon. Felix Ngui (Katangi, WDM-K): Thank you, Madam Speaker. I have looked at the report from PAIC concerning the Mavoko Water Company and Madam Speaker, I think we must start from a point of understanding what a qualified audit report is and what unqualified audit report is. I got an opportunity to interact with the auditors this year and I got to understand the difference between the two. From the report we have just hear read by Mheshimiwa Muoki is that the report was qualified so what does it mean? I wish to notify the Members that a qualified opinion means that the financial statements are mostly fair but there are specific exemptions or limitations to the audit. These could be due to misstatement or inability to obtain sufficient audit evidence in particular areas.

So this is to say that this report was not satisfactory to the auditor. There are more questions than answers for the auditor to understand within that financial year what the company did. I wish to say that this is a bad report in question and as Mheshimiwa Maitha has just put it

and Mheshimiwa Mbuva that there is need to re-look into these companies. I want to recommend that our committee of water should get down to work and interrogate investigate these water companies because we will not sit here as an Assembly allocate more monies to a company that is selling gold.

You now water in Machakos county is gold; it is money and there is no way we expect these companies to make losses. It is pure mismanagement, lack of commitment and the committee needs to investigate because some of the people have overstayed in these companies. Some boards are there for more than 20 years. This committee on water needs to relook into this matter and to know exactly what is happening with these water companies because I want to assure you if you see the auditor report for 2022/2023 it will not be different from this other report from the auditor.

So we keep on carrying queries every financial year. It is the high time we get serious and our committee gets serious in this business and also tables a report on the operations and management of these water companies. Otherwise I support the recommendations of the PAIC committee on the report. Thank you, Madam Speaker.

Hon. Speaker: Thank you very much, Hon. Ngui, for your sentiments. Hon. Wanjiru.

Hon. Ruth Kamau (Nominated, CCU): Thank you, Madam Speaker. It is an injustice to speak after Hon. Mbuva has spoken. I was in the process of withdrawing my hand but then you saw me so I have to say something. They emptied all the points I had but I will still say something. These water companies are supposed to be providing water which is very essential and as we have engaged these boards they have lorries and lorries of problems; I can assure you of that.

First let me first congratulate the PAIC committee and the secretariat. When we first started engaging these boards and companies, they would just walk in relaxed like they know they are going to face people who will just laugh with them and then they are done and they go but they came and found a committee of very prudent and thorough members and I say this with a lot of confidence. We question and re-question, we undo and redo and we are very serious; they can tell you. Some of them requested for time to go back and prepare and please do not misquote me I do not say the previous PAIC accounts were not serious. I am just saying they found a very serious Committee, very eloquent, understanding issues.

As we have engaged with these companies and boards, I can say that we have seen very dejected and defeated workers in these companies. As we speak to them, they had not been paid for so long and we have seen correspondence between the water companies and some public offices which I will not mention whereby they are being reminded to pay their debt. How do they respond? We saw a letter where a certain office said we have not been using your water yet there is no alternative water. They have water but they are telling the company we will not pay we have not been using your water. So we were like which water then are they using?

My point is if we need these companies to make profit or to just survive by themselves because even Mavoko Water Company which we have been told is among the best does it make profit? It is just because it is able to survive or to break even by its own but the other companies are loss-making entities. I do not even know why we have them because if the government or donors do not come to inject some money for power, maybe to upgrade the pipes that are leaking, these companies will not be in existence.

Therefore there will be no pay for the workers; they are highly demotivated hence the companies are not performing the task they are meant to be performing. It is my prayer as an oversight body that we help in whichever way that we can to ensure that the public offices clear their debts. As you have been told, the debt run into millions, so they are not able to operate. The tariffs that they are using are long out dated; they have been in use since time immemorial. There is no way such tariffs can help the company in this era.

My point is if we can in one way or another as a House help the public entities will pay even the hospitals because they are not only providing water they are also providing sewerage systems. There is a time we were giving them recommendations to disconnect the sewerage lines and then we saw that it was not tenable. If they are paid they can now upgrade slowly even their accounting systems. Some are using manual accounting systems and that is why the errors occur. They are willing but they are demotivated, they are lacking resources and that is where we need to come in and help them to make profits so that they can stand on their own. Thank you, Madam Speaker.

(Applause)

Hon. Speaker: Thank you, Hon. Member. I have a feeling perhaps money is collected and it goes to individual pockets and I also have a feeling that there is somebody not doing their work in the department concerned. If they are not working the board is not working it should be dismantled. There are so many ways of doing this thing because why should we have accumulated debts and pending bills all the time. Where are these pending bills coming from and they continue piling to an extent that they cannot pay their staff. Why should we do that? They are collecting money, there is a budget allocated to them so how come we are spending daily we do not have staff been paid. There is a lot to be desired in these things Members. Hon. Majority Leader.

Hon. Nicholas Nzioka (Machakos Central, WDM-K): Thank you, Madam Speaker. I do not want to repeat what has been said but I just want to put something clear. If you look at how the water company came into being, they were created from the defunct local authorities. For example, Machakos, Mavoko Municipality and so forth. The idea was the company to provide a service that was not quickly provide by the defunct local authorities. The idea was not for the company to make money but was for an essential service that the municipal and county councils were not able to effectively provide.

The idea was to plough back money. If you remember yesterday we were talking about the hospitals the idea was to plough back money to cater for operations and also improve the service. I want to remind Members here that we do the budgeting process a lot and I have never for the last two years seen us budget money to go to the water companies. We budget money to go to the department of water in our County. I have never seen money allocated to go to Mavoko Water and Sewerage Company, Machakos and all water companies s let us also not say that we allocate money for them.

Hon. Speaker: It means therefore that money from that department is the money that should go to those boards. So we are budgeting for the department and they know how they distribute money to the boards. You can proceed.

Hon. Nicholas Nzioka (Machakos Central, WDM-K): Thank you, Madam Speaker for your guidance. My point is even within the vote lines of the department of water, I have never seen a vote line that directly funds the water companies, I have seen that and I stand to be corrected if I do not have these facts right.

Secondly, structurally, I do not think the water companies are well-structured in terms of who reports to who and when. For example, I know TanaAthi Water Service Board has a very big say in what happens in the water company and yet we are calling ourselves the County Government the main shareholder. They say; we report to Tana Athi when investments are being done we report to TanaAthi but when there are problems with the water company we want Machakos County Government to bail them out.

We are sinking money to water companies, they have not provided the essential services as it was envisaged and they continue to sink down. Structurally, we need to relook at how the water companies are, where they report and who they report to. Thank you,, Madam Speaker.

Hon. Speaker: Thank you very much, Majority Leader. That is very important to relook and make sure that structures are in order. Hon. Mutuku Caroline.

Hon. Caroline Mutuku (Nominated, MCCP): Thank you, Madam Speaker. I am a member of the PAIC Committee. I support the recommendations that the team brought forward. Mine is to say that I also sit in the Water Committee and there was a taskforce that was created by H.E the Governor. As we sat to just here the draft report that they were bringing up there were recommendations on the merging of the companies and many others. My hope is that the policies that are not making sense in the companies like the imprest policy and bad debt policy that they are part of the recommendations by the taskforce that was created.

My prayer is that the constitution of the Boards they will look at because as we speak now the boards are political appointments. My prayer is that they will look at the qualifications of the members of the boards more so the accounting officers. Thank you, Madam Speaker.

(Applause)

Hon. Speaker: Thank you for bring out the issue of some policies have been done away with by the taskforce which are necessary and they are also burdening us.

Hon. Dominic Maitha (Muthwani, WDM-K): I wish to inform this House one thing that is really a challenge and I have just shared with the Leader of Majority. The Committee on Water needs to look into the Water Act. The biggest challenge in these water companies is our Water Act. The Majority Leader has said we do not know who owns them or controls them. I wish to inform this House Madam Speaker, the Committee on Water really needs to look into the Water Act and see into it which department, organization or entity in this government so that they can either petition or engage and review the Water Act. It is the most punitive document that we are using to date, Madam Speaker.

(Applause)

Hon. Speaker: Thank you. It is important that now we can get where the problem is and it goes back now to the water department that is the water committee for us this side of the

Assembly. We need to look into this water thing and the Act be checked again to see what structures it has put. If they are old-fashioned then we remove them and get the right ones. Thank you very much. At this point, I want to call the mover of the Motion to reply.

Hon. Muoki wa Musila (Ndithini, WDM-K): Thank you, Madam Speaker. I will start by congratulating every Member who has contributed to the same bringing out some insights of the same. I also want to say as we have discussed that there is a problem with the water companies and one of the problems I would say is the inheritance of bad debt of the defunct Machakos Municipal Council. In comes the County Governments and they had to inherit debts that had been incurred together with uncollected dues from the defunct municipal council.

The other problem maybe that is bedeviling the water companies is the management. Hon. Mbuva has pointed out is the unqualified members of management and we are saying if they can hire qualified members of management particularly in accounting because at times are not very good when the Auditor General points out just a simple transfer of figures from one document to another one and the accountant that they have cannot transfer the correct figures I am just citing one. Another place that they are losing particularly Machakos Water and Sewerage Company and Mavoko is the issue of the developers.

When they go to develop new buildings they uproot their pipes and the water is pouring that becomes unmetered water. That is a loss because is not part of the water that they will sell yet they had pumped it in their system. Hon. Maitha has pointed out very well that the smart meters are doing well or they would do us a good deal of work. The problem is that they do not have the money to purchase all these. You find they are not cheap and these are the things that we maybe we would want to say if only the water companies can work on that then we would be getting profit if not breaking even of these companies that no longer want to be supported by the government.

Poor payments, Madam Speaker, with all due respect I would say I remember Hon. Wanjiru has pointed out one time in the discussion particularly in Machakos Water which we will be discussing later, we were asking; why not disconnect the White House with water because it is the biggest culprit. We will come here crucify the water companies and their management *kumbe* it is us who are not paying for the same. If only these government institutions could pay you will find they are having the biggest bills to be paid.

The other thing is outdated tariffs; they have not been approved. I remember the Mavoko Water Company General Manager pointing it out that they are using the old tariffs and they have been applying for their approval but they have not been approved. They are supplying water at a very high cost but they have not been approved. They are supplying water at very high cost yet they are charging lower cost than they are able to supply. With those many remarks I say yes let us have it done. Thank you, Madam Speaker.

(Applause)

Hon. Speaker: Thank you very much, Hon. Muoki.

(Question put and agreed to)

ADJOURNMENT

Hon. Speaker: The House adjourns to today, Wednesday, 2nd October 2024 at 2.30 p.m. in the afternoon. See you then Members.

The House rose at 12.26 p.m.