

NAIROBI CITY COUNTY GOVERNMENT



**NAIROBI CITY COUNTY ASSEMBLY
(SECOND ASSEMBLY- SECOND SESSION)**

**SELECT COMMITTEE ON PUBLIC INVESTMENTS
(PIC)**

**PROGRESS REPORT TO THE SELECT COMMITTEE ON LIASON
(JANUARY TO DECEMBER, 2018)**

**Clerks Chambers
Nairobi City County Assembly
City Hall Buildings
NAIROBI**

DECEMBER, 2018

TABLE OF CONTENTS

1.0. PREFACE	3
Mandate of the Committee.....	3
Membership	3
Secretariat	4
Committee output.....	4
Appreciation	5
2.0. INTRODUCTION	6
3.0. CONSIDERED BUSINESS	6
a) Auditor General Reports.....	6
b) Retreats/Workshops	8
The Committee held three (3) retreats as follows:-	8
d) Special Audit requests.	9
e) Inquiries.....	10
f) Site visits	10
4.0. PENDING BUSINESS	10
5.0. CHALLENGES	11
6.0. COMMITTEE PRIORITIES IN 2019	11
7.0. CONCLUSION	11
Annex: work plans	

1.0. PREFACE

Hon. Chair,

01. On behalf of the Public Investments Committee (PIC) and pursuant to the provision of Standing Order 192, it is my pleasant privilege and honour to present to the Select Committee on Liaison *“The progress report of the Committee for the period January to September, 2018”*.

Mandate of the Committee

The Committee derives its mandate from Standing Order 198(5) which states that:-

“The County Public Investments Committee shall be responsible for the examination of the working of the County Public Investments”.

The Committee is further mandated by Standing Order 198 (5);

- a) examine the reports and accounts of the County public investments;**
- b) examine the reports, if any, of the Auditor General on the County public investments; and**
- c) examine, 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**

The main objective of the Committee is to ensure that Nairobi City Water and Sewerage Company Limited (NCWSC) is run in a fiscally sound manner.

Membership

02. During the period under review, the Committee comprised of the following members:-

- 1. Hon. Stazo Elijah Omung’ala, MCA - Chairman**
- 2. Hon. Silas Ongwae, MCA – Vice Chairman**
- 3. Hon. Peter Wahinya Njau, MCA**
- 4. Hon. Jacinta Wanjiru, MCA**

5. Hon. Mary Njambi, MCA
6. Hon. Muchene Kabiru, MCA
7. Hon. Julius Maina Njoka, MCA
8. Hon. John Ng'ang'a, MCA
9. Hon. Paul Ndung'u, MCA
10. Hon. Laura Mwendu, MCA
11. Hon. Benson Mwangi, MCA
12. Hon. Mark Ndung'u, MCA
13. Hon. Jared Akama, MCA
14. Hon. Geoffrey Majiwa, MCA
15. Hon. Patrick Logedi, MCA
16. Hon. Anne Catherine Akinyi, MCA
17. Hon. Alvin Olando Palapala, MCA
18. Hon. Patrick Musili, MCA
19. Hon. Jackline Apondi, MCA

Secretariat

03. The Committee Secretariat comprises of the following officers:-

- i) Mr. Titus Muiruri (Clerk Assistant)
- ii) Mr. David Tukei (Office Assistant)

Committee output

04. During the period under review, two reports of the Auditor General were committed to the Committee pursuant to Article 229 of the Constitution. The Committee prepared work plans/schedules to consider the reports culminating into the Committee tabling its reports as required under the Standing Orders. Considering that most of the members were new to the work of the Committee, Members benefited from the trainings offered by the Assembly and the support of the Secretariat. The Committee dispensed with two (2) reports

05. This report contains what the Committee has been able to accomplish during the period January to December 2018, the challenges experienced and the way forward.

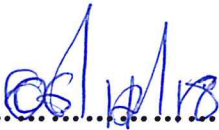
Appreciation

- 06. The Committee wishes to thank the offices of the Speaker and the Clerk of the County Assembly for enabling the Committee to carry out its plans.
- 07. On behalf of the Committee, I wish to present the progress report for the Select Committee on Public Investments for the period January to September 2018 to the Select Committee on Liaison for consideration.

SIGNED 

HON. STAZO ELIJAH OMUNG'ALA

(CHAIRMAN)

DATE 

2.0. INTRODUCTION

08. This sessional report is based on the provisions of Standing Order 192 which requires Select Committees to prepare and submit to the Liaison Committee progress reports annually/biannually or on a regular basis.

09. During the period under review, the Committee resolved to consider all the audit reports committed within the timelines set by the Constitution. To achieve this, the Committee prepared work plans for considering of each report. It is worth noting that the Committee was able to consider all the committed reports.

3.0. CONSIDERED BUSINESS

10. To consider its business, the Committee held a total of **73 sittings** both within and outside the precincts of the Assembly.

11. During the period under review, the Committee considered the following business:-

a) Auditor General Reports

The Committee considered four (3) Auditor General's reports as follows:-

No.	Report	Status	Key recommendations
1.	Report of the Auditor-General on the Financial Statements of Nairobi City Water and Sewerage Company Limited for the year ended 30 th June, 2016	Committee report tabled and adopted	<ul style="list-style-type: none">- Nairobi City Water and Sewerage Company should write to the National Lands Commission seeking repossession of the land that has been grabbed by private developers and demolish any illegal structures on its land- The County Executive to hasten the process of acquiring ownership documents for each property of the Company- The management to expedite the process of installing meters that are easily

			monitored and tamper-proof which the Company was in the process of procuring as reported to the Committee by the management during the meeting to curb the situation of water loss through unscrupulous people tampering with meters
2.	Report of the Auditor-General on the Financial Statements of Nairobi City Water and Sewerage Company Limited for the year ended 30 th June, 2017	Committee report tabled and adopted	<ul style="list-style-type: none"> - Review and harmonize the tripartite agreement amongst other things to take into account of the new dispensation. - Valuation be done on the assigned assets to give the current value of the assets and an agreement be put in place to guide on the payments of lease fee taking to account the value of the leased assets - The Company to immediately institute measures to recover the un - utilized funds from the previous Board Members in line with the provision of the Public Finance Management regulations
3.	Performance Audit Report on Provision of Sewerage in Major Towns in Kenya: A Case Study of Nairobi City	Pending due to lack of capacity building on Performance Audit	

b) Retreats/Workshops

The Committee held **three (3)** retreats as follows:-

NO.	DATE	PURPOSE	VENUE	REPORT
1.	16 th to 19 th November, 2017	Induction	Sawela Lodge, Naivasha	Workshop report tabled
2.	8 th to 11 th March, 2018	To consider the “Report of the Auditor General on the Financial Statements of Nairobi City Water and Sewerage Company Limited for the year ended 30 th June, 2016” and the management responses	Pride Inn Hotel, Mombasa	Committee report tabled and adopted
3.	14 th to 17 th June, 2018	To consider the “Report of the Auditor General on the Financial Statements of Nairobi City Water and Sewerage Company Limited for the year ended 30 th June, 2017” and the	Pride Inn Hotel, Mombasa.	Workshop report to tabled.

		management responses and undergo training on report writing		
4.	2nd to 5th November, 2018	Members to undergo best practice of Considering the Auditor General's report and review recurrent issues with respect to Nairobi City Water and Sewerage Company	Pride Inn Hotel, Mombasa.	Report ready for tabling.
5.	29 th to 2 nd December, 2018	Members to undertake a training on Public Investments guidelines and financial management with Public Investments in Kenya	Pride Inn Hotel, Mombasa.	Report ready for tabling.

c) Statements

During the period under review the committee did not consider any statements.

d) Special Audit requests.

During the period under review the committee did not consider any special audit requests.

e) Inquiries

During the period under review the committee did not consider any inquiries.

f) Site visits

The Committee held **four (4)** site visits while considering the reports of the Auditor General as follows:-

NO.	DATE	ISSUES FOR CLARIFICATIONS	VENUE/SITES
1.	12/04/2018	verification of the inventories	Nairobi City Water and Sewerage Company Limited Headquarters Kampala Road
2.	13/04/2018	Encroachment on public land	Loresho reservoir
3.	13/04/2018	verification of the inventories and encroachment of land	Kabete water treatment plant and warehouse
4.	13/04/2018	verification of the inventories	Ng'ethu water treatment and pumping station warehouse

4.0. PENDING BUSINESS

12. The following business is still under consideration by the Committee:-

Business	Status	Remarks
– Performance Audit Report on Provision of Sewerage in Major Towns in Kenya: A Case Study of Nairobi City.	Pending due to lack of capacity building in the office of the Auditor General on Performance Audit	Training on Performance Audit

5.0. CHALLENGES

13. The Committee experienced the following challenges:-

- i.) Underfunding during the apportionment of Committee budgets which greatly hindered the operations of the Committee.
- ii.) Failure to meet constitutional timelines due to delays by witnesses to provide required documents/responses with respect to the audit queries raised by the Auditor General. The Committee has resolved that in future it shall resort to issuing summons to rogue witnesses and further seek services of the Director of Public Prosecutions pursuant to the provisions of the County Assemblies Powers and Privileges Act.
- iii.) Unconducive meeting room befitting the operations of a Public Investments Committee. The Committee has requested the Clerk to allocate it a specific spacious room at the basement once the rooms become operational.

6.0. COMMITTEE PRIORITIES IN 2019

The Committee has the following priorities;

- i) The Committee will request a special Audit on the human resource of the Nairobi City Water and Sewerage Company Limited.
- ii) Implementation status of the report of the select committee on Public Investments on the report of the Auditor General on the financial statements of Nairobi City Water and Sewerage company for the year ended 30th June, 2017”

7.0. CONCLUSION

The Committee notes that the period under review has been momentous with the Committee considering all the Auditor General’s reports committed to it. This is despite the fact that most Members were new to the operations of the Public

Investments Committee. Indeed, the trainings provided by the Assembly and the support of the Secretariat was vital.

The Committee also notes that the period under review has been marked with activities that are aimed at enhancing oversight mandate of the Committee. The Committee shall be moving with speed to finalize all pending issues under consideration. The Committee foresees achieving most of its plans going by the manner of commitment by its Members and would always rely on the support of the Assembly leadership and the Office of the Auditor General in order to realize its objectives.

