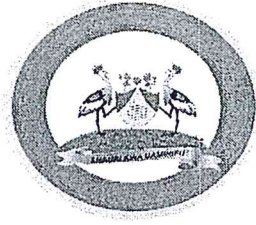


NAIROBI CITY COUNTY GOVERNMENT



NAIROBI CITY COUNTY ASSEMBLY
(SECOND ASSEMBLY- SECOND SESSION)

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

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

Clerks Chambers
Nairobi City County Assembly
City Hall Buildings
NAIROBI

OCTOBER, 2018

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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. June Juliet Ndegwa, 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. Mbugua Kabiro, MCA
11. Hon. Benson Mwangi, MCA
12. Hon. Mark Ndung'u, MCA
13. Hon. Emapet Kemunto, MCA
14. Hon. Geoffrey Majiwa, MCA
15. Hon. Patrick Logedi, MCA
16. Hon. Millicent Okatch, MCA
17. Hon. Nicholas Okumu, MCA
18. Hon. Kennedy Oyugi, 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 progress

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.

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

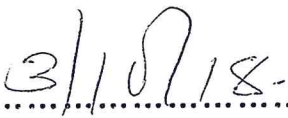
Appreciation

- 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 progress 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 **60 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

			<ul style="list-style-type: none"> - 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 regulations	Management
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	Pride Inn Hotel, Mombasa.	Workshop report to be tabled.

		the Financial Statements of Nairobi City Water and Sewerage Company Limited for the year ended 30 th June, 2017” and the management responses and undergo training on report writing		
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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 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 Accounts Committee. The Committee has requested the Clerk to allocate it a specific spacious room at the basement once the rooms become operational.

6.0. 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 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.

PUBLIC INVESTMENTS COMMITTEE (PIC)

WORKPLAN FOR CONSIDERATION OF AUDITOR GENERAL'S REPORT

Report of the Auditor General on the Financial Statements of Nairobi City Water and Sewerage Company Limited for the year ended 30th June, 2016

DATE	WITNESS(ES)	ISSUES	VENUE	TIME
Tuesday 23 rd January, 2018	-	Adoption of the work plan	Chamber Board Room	12 noon
RECESS PERIOD				
Tuesday 30 th January, 2018	-	Briefing by the Auditor General	Chamber Board Room	12 noon
Wednesday 31 st January, 2018	-	Review of the Auditor General's brief	Chamber Board Room	12 noon
Thursday 1 st February, 2018	Mentioned persons in the report (If necessary)	To clarify on issues they are mentioned on	Chamber Boardroom	12 noon
6 th , 7 th & 8 th February, 2018		Analyzing of evidence provided by various witnesses.	Chamber Boardroom	12 noon
8 th – 11 th March, 2018		Committee report writing workshop	-	
27 th March, 2018		Adoption and tabling of Committee Report	-	

SIGNED 

HON. STAZO OMUNG'ALA (CHAIRMAN)

DATE 23/11/2018

PUBLIC INVESTMENTS COMMITTEE (PIC)

WORKPLAN FOR CONSIDERATION OF AUDITOR GENERAL'S REPORT

Report of the Auditor General on the Financial Statements of Nairobi City Water and Sewerage Company Limited for the
year ended 30th June, 2017

DATE	WITNESS(ES)	ISSUES	VENUE	TIME
Wednesday 18 th April, 2018	-	Adoption of the work plan	Chamber Board Room	12 noon
RECESS PERIOD				
Wednesday 2 nd May, 2018	-	Briefing by the Auditor General	Chamber Board Room	12 noon
Thursday 3 rd May, 2018	-	Review of the Auditor General's brief	Chamber Board Room	12 noon
Tuesday 8 th Wednesday 9 th & Thursday 10 th May, 2018	Mentioned persons in the report (if necessary)	To clarify on issues they are mentioned on	Chamber Boardroom	11.00 am
15 th , 16 th & 17 th May, 2018		Analyzing of evidence provided by various witnesses.	Chamber Boardroom	12 noon
, 2018		Committee report writing workshop	-	
, 2018		Adoption and tabling of Committee Report	-	

SIGNED *STAZO*

HON. STAZO OMUNG'ALA (CHAIRMAN)

DATE 18/4/2018

