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*Enhancing Accountability*

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OF

THE AUDITOR-GENERAL

ON

OLOOLAISER WATER AND SEWERAGE  
COMPANY LIMITED

FOR THE YEAR ENDED  
30 JUNE, 2019

PAPERS LAID	
DATE	1/3/2022
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COMMITTEE	—
CLERK AT THE TABLE	M-ADJIBODOV



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Oloolaiser Water

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**OLOOLAISER WATER AND SEWERAGE COMPANY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June, 2019**

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Prepared in accordance with the Accrual Basis of Accounting Method under the International Financial Reporting Standards (IFRS)

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**REGISTRY**

24 JAN 2020

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**Oololaiser Water and Sewerage Company Limited**

**Reports and Financial Statements  
For the year ended 30<sup>th</sup> June, 2019**

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**Oloolaiser Water and Sewerage Company Limited**

**Reports and Financial Statements  
For the year ended 30<sup>th</sup> June, 2019**

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**KEY ENTITY INFORMATION**

**Background information**

Oloolaiser Water and Sewerage Company was established under the Company's Act (CAP.486) on the Thirtieth day of June Two Thousand and Six.

**Principal Activities**

The principal activities of Oloolaiser Water and Sewerage Company Limited to provide safe and reliable water services to customers.

**Directors**

The Directors who served the entity during the year/period were as follows:

Samson Kereya	Chairman
Lt. Col. (Rtd) Dominic Mukundi	Member (Borehole owners Representative)
Francis Mwaura	Member (Professionals Representative)
Isaac Leboi	Member (Consumer representative)
Abraham Mapena	County (Government Representative) up to October 2017
Jeremiah Mepukori	County (Government Representative) up to October 2017
AnnisNaserian	Member (Youth Representative) From November 2017
Christine Mopel	Member (Representing Pastoralists) From November 2017
Joan Metian	Member (Representing NGO'S and institutions) From November 2017

**Corporate Secretary**

Wanjau and Wanjau Advocates  
P.O. Box 15382-00100  
Nairobi

**Corporate Headquarters**

P.O. BOX.333-00206  
Isalu Centre Ground Floor  
Magadi Road  
Rongai.

**Corporate Contacts**

Telephone: (+254)724310714  
(+254)202012075  
E-mail: [info@oloolaiserwatercompany.co.ke](mailto:info@oloolaiserwatercompany.co.ke)

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**INCOMING BOARD MEMBERS (CARETAKER BOARD-EFFECTIVE FROM 9<sup>TH</sup> MAY 2019)**

<b>NAME</b>	<b>REPRESENTATION</b>
1. Patrick Mugo	Ngong Municipality -Board Chairman
2. Elizabeth sopiato	Ngong Municipality- Board vice chairperson.
3. Douglas Konana	Chief Officer Water & Irrigation
4. Kakai Nakitare	County Water Director Kajiado North
5. Eunice Kamweru	County Water Director Kajiado West
6. Solomon Kereku	Sub –County administrator Kajiado North
7. Moses Ngusa	Sub –County administrator Kajiado West
8. David Kobaa	Ngong Municipality Director
9. Michael Semera	CECM Water & Irrigation Kajiado County Gvt

**Corporate Bankers**

Kenya Commercial Bank  
Ongata Rongai  
Private Bag  
**Ongata Rongai**

**Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
**Nairobi, Kenya**

**Oololaiser Water and Sewerage Company Limited**

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**BOARD OF DIRECTORS**



Chairman  
Mr. Samson Kereya  
Date of Birth: 03.06.1974

He has a Diploma in Purchasing and Supplies Management with diverse experience in the public sector. He has also served as a presiding officer with the Electoral Commission of Kenya. Currently pursuing a Bachelor of Science degree in Purchasing and Supplies Management.



Director  
Mr. Francis Mwaura Mwangi  
Date of Birth: 05.11.1950

He has a Master's of Science degree and has over Twenty years of experience in public sector. He also has a Bachelor's of Education degree and a Certificate in Bank Supervision.



Director  
Lt. Col. (Rtd) Dominic Mukundi  
Date of Birth: 1950

He has an Advanced Certificate of Education and further training in Logistics and Security matters. He also have vast experience in the public sector after serving for Twenty Three years in the Kenyan Defence Force.



Director  
Mr. Abraham Mapena  
CECM – Finance and Economic Planning, County Government of Kajiado.

He has a Masters Degree in Business Administration with vast experience in the Public Sector. Currently he is serving in the above position under the County Government of Kajiado



**Oloolaiser Water and Sewerage Company Limited**

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Director  
Mr. Isaac Leboi  
Date of Birth: 1972

He has a Certificate in animal health added with an added certificate in performance competence. He has vast experience having worked in both private and public sector organizations.



Director Annis Naserian  
She has a degree of Bachelor of Science in Biochemistry and Molecular biology. She has a vast experience having worked in livestock and plants research institutes and other organisations.



Director Christine Serea Mopel  
Date of Birth 1990:  
She is an MBA Degree in strategic Management holder and also possess another degree of Bachelor of Commerce. She has a vast experience in the finance sector having worked for private and in the public sector.



Director Joan Metian Pertet Waiganjo  
She is an MBA degree in Business administration holder and also has Bachelor of Commerce degree. She has vast experience in finance sector having worked for the private sector.



**Oloolaiser Water and Sewerage Company Limited**

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**MANAGEMENT TEAM**



**Anne Mwangi**  
Managing Director  
Date of Birth: 01.09.1960

She has a Master's of Science Degree in Water Engineering and a Bachelor's of Science Degree in Civil Engineering. She has vast experience in the public sector especially in the water sector.



**Alpha Mosomi**  
Commercial Manager  
Date of Birth: 15.07.1981

He has a Diploma in Water Engineering. He has experience in the water sector as he has served in different capacities different water companies.



**Wilson Munguti**  
Technical Manager  
Date of Birth: 09.04.1969

He holds a Diploma in Water Engineering with a related Certificate in Plumbing and Water Supply. He has vast experience in the water sector as he has worked with different corporate institutions in the water industry.



**Elena Wamutitu**  
Financial and Administration Manager  
Date of Birth: 23.01.1982

She holds a Masters Degree in Business Administration and a Bachelors Degree in Economics. She has worked in different organizations under the Finance Department hence she has requisite experience under the docket.

**Oloolaiser Water and Sewerage Company Limited**

**Reports and Financial Statements  
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Faith Lekato  
Human Resource Officer  
Date of Birth: 05.03.1986

She holds a Diploma in Personnel Management and currently pursuing her undergraduate degree in Human Resource Management. She has worked as a personnel Assistant in Magadi Soda Company and vast experience in human resource management skills.



Procurement Officer  
Geoffrey Shisanya  
Date of Birth: 10.10.1982

He holds a Diploma in Purchasing and Supplies and is currently undertaking and degree in Business Management- Purchasing and Supplies Option.



John Wekesa  
Internal Auditor  
Date of Birth: 29.10.1985

He holds KATC and CPA final certificates and has a degree of Bachelor of Commerce. He has also served in different public institutions hence has vast experience in the public sector.

**MEMBERS OF MANAGEMENT WHO WERE IN ACTING CAPACITY**

<b>NAME</b>	<b>POSITION</b>	<b>PERIOD</b>
1. Alpha Mosomi	Ag. Managing Director	August, 2018-February, 2019
2. Regina Mutunga	Ag. Finance Manager	August ,2018-June , 2019
3. Florence Oruma	Ag. Human resource Officer	August, 2018-February, 2019
4. Nicholas Kuntai	Ag. Commercial Manager	August, 2018-February, 2019
5. Jeniffer Naisiano	Ag. Procurement Officer	August , 2018-June, 2019.

## Oloolaiser Water and Sewerage Company Limited

### Reports and Financial Statements For the year ended 30<sup>th</sup> June, 2019

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#### CHAIRMAN'S STATEMENT

On behalf of the Board, I am encouraged by the integrity, responsiveness and sheer determination of the Directors, Management and employees which has been key in meeting water services needs within our area of jurisdiction despite the various challenges faced, it is therefore, with great pleasure that I present the Reports Financial Statement of the year ended 30<sup>th</sup> June 2019.

The Company's mission is to provide water and waste water services that are economically viable, environmentally friendly, socially responsible and responsive to customers' needs and expectations. This in its self is a major challenge but which I want to assure you that the company is capable of achieving.

We have faced challenges of water demand exceeding the available water supply, aged and dilapidated reticulation system, limitation of the pipeline coverage scope water losses and increased operating costs which outstretch the available revenues. Some of these challenges have been addressed through internally generated resources and the National Government of Kenya through the Ministry of Water and Irrigation, and its agencies, such as the Water Services Trust Fund.

The limited expansion of the Company's pipe network and facilities to support the increasing demand has gone a long way to build on customer confidence and satisfaction. Over the years we have intensified implementation of system expansion, reinforcement and upgrade projects aimed at improving the reliability of water supply, reducing system losses and creating capacity for new customer connections and extension of service coverage.

It is clear that the future will be equally as challenging as the past taking into consideration the rapid urbanization within our area of service. The Board is therefore committed to the insistence on good Governance and accountability to overcome these inevitable challenges. The Board shall continue to transform the Company into a dynamic, pro-active, and consumer conscious organization so as to prevail over existing and emerging challenges and also to attain its vision *"To be the industry leader and water service provider of choice"*.

Finally, I am humbled and to sincerely express my gratitude and appreciation to all stake holders who include: The shareholders, our esteemed customers, my fellow Directors, the Management team, staff, Government of Kenya, investment partners, and our valued suppliers for their continued support which has contributed to achieving our mandate as a water service provider.

Thank you



Patrick Mugo.  
**Chairman**



**Oloolaiser Water and Sewerage Company Limited**

**Reports and Financial Statements  
For the year ended 30<sup>th</sup> June, 2019**

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**REPORT OF THE MANAGING DIRECTOR**

The water company, under certificate of operation by Water Services Regulatory Board and through a Service Provision Agreement with Tanathi Water Services Board (a state Corporation) provides water and waste water services within Kajiado North and Kajiado West Sub Counties of Kajiado County and has a coverage area of approximately 716km<sup>2</sup> targeting an estimated population of 307,455 persons.

The Company has achieved a service coverage of 89km<sup>2</sup> and 172,175 persons being an achievement of 12.4% and 56% respectively, the low coverage is attributed to a limited reticulation networks which is majorly present within the urban areas of Ongata Rongai, Kiserian, Ngong and Matasia and their immediate environs, for instance Olkeri and Bulbul areas. Water is a key driver of social-economic development, during the year under review, the Company centered on demand focused distribution of water, albeit inadequate, while still ensuring accessibility to all, this enhanced reliability of the service coupled with improved customer service.

The financial year 2018-2019 has been particularly difficult due to a period of drought, high costs especially on some operational costs and the challenge of high Non-Revenue Water Levels. Challenges of an old dilapidated reticulation networks, poor designs coupled with wrong sizing of pipes and poor class of materials has contributed to physical water losses. Other contributions of water loss has been through poor meter installation techniques, aged consumer meters, wrong meter positioning, meter inefficiencies, incidences of illegal reconnections, meter by passes and water theft making contribution to commercial losses.

As the utility charged with the responsibility of providing water and sewerage services within Kajiado North and Kajiado West Sub Counties, the people of this sub counties look upon us to deliver, I am pleased to state that through the years, we have set ourselves ambitious performance goals and have consistently delivered against them. Though the years have been exceptionally challenging, we have substantially increased our customer base through investments in the expansion of our infrastructure and improvements in the quality of service to our customers

Ladies and Gentlemen, The Company has intensified exploration, planning, designing and implementation of system expansion targeted at improving the quality and reliability of the service by construction of pipeline extension of various diameters and additional storage tanks.

Thank you



Dickson Ntikoisa  
**Managing Director**

## **Oloolaiser Water and Sewerage Company Limited**

### **Reports and Financial Statements**

**For the year ended 30<sup>th</sup> June, 2019**

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#### **CORPORATE GOVERNANCE STATEMENT**

The Board of Directors regard corporate governance as pivotal to the successes of the company and are unreservedly committed to ensuring that as a public service institution, the company's decisions are guided by the core tenets as prescribed in the code of conduct. Accordingly the Board of Directors and the established Committees of the Board regularly evaluate the standard of service so as to continuously deliver on our mandate and remain a sustainable and viable entity.

#### **CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

Oloolaiser Water and Sewerage Company recognize that we must be responsible towards its stakeholders, society and our environment in order to achieve a sustainable system in Kenya. As a Company we acknowledge our responsibility to the environment and to our local communities in which we operate. We aim to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including customers, employees, investors, *communities and others*. *The Company actively encourages our staff to recognise those responsibilities and behave in a responsible manner toward the society in which we function. We regard the setting of good examples as an important practice in this regard. Below are some examples of how the Company and its staff have shown commitment to practice responsible corporate behaviour and to establish and support initiatives in the offices.*

##### **Environment**

The Company seek to participate and contribute to a cleaner environment and hence involved in community exercises which include clean up exercises especially in towns within its areas of jurisdiction and by so doing reduces impact on the environmental pollution. The company also actively gets involved in tree planting in its various Stations. The company also contributes to the society by giving donations especially during public national holidays.

##### **Employees**

The success of the company is based on its people. The Company seek to recruit, retain, reward and develop the best talent in the company. It recognises the need to inculcate among our employees the culture of being sensitive to safety, security, society and the environment. This ensures that employees act with integrity and responsibility with the people they deal with and the environment they interact with. It train employees to value each other, provide necessary support systems for people with different needs and have a system in place that encourages acceptance of cultural diversity. Further, it continually seeks to improve its employees through structured programs for personal and professional development.

##### **Health and Safety**

The Company aim to ensure a safe and healthy working environment for all our employees and customers. The Company aims to comply with all relevant legislation or regulations and best practice guidelines recommended by national health and safety authorities. It also liaise with staff regarding policies and practices so that it can continue to maintain a healthy, safe and enjoyable work environment.



**Oloolaiser Water and Sewerage Company Limited**

**Reports and Financial Statements  
For the year ended 30<sup>th</sup> June, 2019**

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**REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended 30<sup>th</sup> June, 2019 which show the state of *Oloolaiser Water and Sewerage Company limited* affairs.

**Principal activities**

The principal activities of *Oloolaiser Water and Sewerage Company limited* are to provide safe and reliable water services to customers.

**Results**

The results of *Oloolaiser Water and Sewerage Company limited* entity for the year ended 30<sup>th</sup> June 2019 are set out on page 14-18.

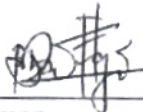
**Directors**

The members of the Board of Directors who served during the year are shown on page 4-5 in accordance with Regulation 58 of *Oloolaiser Water and Sewerage Company limited* Articles of Association. The indicated board served between 1<sup>st</sup> July, 2018 and 9<sup>th</sup> May, 2019. There has been a transition period within the year and therefore the list of the incoming board is also provided immediately after the outgoing Board members. These are the members of the appointed caretaker board starting from 1<sup>st</sup> June, 2019

**Auditors**

The Auditor General is responsible for the statutory audit of *Oloolaiser Water and Sewerage Co. Ltd* in accordance with the provision of article 229 of the constitution of Kenya and Section 35 of the Public Audit Act 2015.

By Order of the Board

  
\_\_\_\_\_  
Chairman

22<sup>nd</sup> January 2020  
\_\_\_\_\_  
Date



**Oololaiser Water and Sewerage Company Limited**

**Reports and Financial Statements  
For the year ended 30<sup>th</sup> June, 2019**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

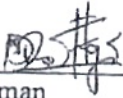
Section 164 of the Public Finance Management Act, 2012 and section 208 of the PFM-County Regulations Act, require the Directors to ensure that Oololaiser Water and Sewerage Company Limited keeps proper accounting records which disclose with reasonable accuracy the financial position of Oololaiser Water and Sewerage Company Limited. The Directors are also responsible for safeguarding the assets of the company from any material misappropriation.

The Directors accept responsibility for preparation and presentation of financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that Oololaiser Water and Sewerage Company Limited financial statements give a true and fair view of the state of affairs and all material transactions carried out during the financial year ended June 30<sup>th</sup>, 2019, this financial statements also provide the true financial position of our organization as at the above stated date. The Directors further confirm the completeness of the accounting records maintained, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the *Oololaiser Water and Sewerage Company limited* will not remain a going concern for at least the next Twelve months from the date of this statement.

**Approval of the financial statements**

*Oololaiser Water and Sewerage Company Limited* financial statements were approved by the Board of Directors on 22<sup>nd</sup> January 2020.....And signed on its behalf by:

  
Chairman

22<sup>nd</sup> January 2020  
Date

  
Managing Director

20/01/2020  
Date

  
Director

22/01/2020  
Date

**Oloolaiser Water and Sewerage Company Limited**

**Reports and Financial Statements**

**For the year ended 30<sup>th</sup> June, 2019**

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**REPORT OF THE INDEPENDENT AUDITORS  
ON THE OLOOLAISER WATER AND SEWERAGE COMPANY LIMITED**

We have audited the financial Statements of *Oloolaiser Water and Sewerage Company Limited* for the year ended 30<sup>th</sup> June, 2019, which comprise: (i) a statement of comprehensive income; (ii) a statement of financial position as at 30 June, 2019; (iii) a statement of cash flows; (iv) a summary of significant accounting policies; and (v) other explanatory notes.

**Management's responsibility for the financial statements**

The Directors are responsible for the preparation and fair presentation of the financial statements which give a true and fair view of the entity's state of affairs and its operating results in accordance with International Financial Reporting Standards, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit in accordance with the International Standards on Auditing which require that the auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Oloolaiser Water and sewerage company preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**Opinion**