

**ANNEXTURES**

*Annex 1*

**Annex 2.**

<b>S/N</b>	<b>County Name</b>
1.	Nyandarua
2.	Homa Bay
3.	Migori
4.	Bungoma
5.	Vihiga
6.	Siaya
7.	Baringo
8.	Turkana
9.	Isiolo
10.	West Pokot
11.	Mombasa
12.	Mandera
13.	Garissa
14.	Nakuru
15.	Kirinyaga
16.	Kiambu
17.	Kericho
18.	Kisumu
19.	Meru
20.	Embu
21.	Nairobi



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE SECOND SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE, HELD ON THURSDAY, 20<sup>TH</sup> FEBRUARY, 2025 AT THE COMMITTEE ROOM 10, BUNGE TOWERS AT 12.00 P.M.

#### PRESENT

1. Sen. Godfrey Atieno Osotsi, CBS, MP - **Chairperson**
2. Sen. William Kipkemboi Kisang, MP - Member
3. Sen. Agnes Kavindu Muthama, MP - Member
4. Sen. Beth Kalunda Syengo, MP - Member
5. Sen. George Mungai Mbugua, MP - Member
6. Sen. Raphael Chimera Mwinzangu, MP - Member

#### ABSENT WITH APOLOGY

1. Sen. Eddy Gicheru Oketch, MP - **Vice Chairperson**
2. Sen. Hamida Ali Kibwana, MP - Member
3. Sen. Peris Pesi Tobiko, CBS MP - Member

#### SECRETARIAT

1. Mr. Yussuf Shimoy - Clerk Assistant I
2. Mr. David Angwenyi - Clerk Assistant I
3. Mr. Eric Njogu - Clerk Assistant II
4. Mr. Godfrey Nyaga - Clerk Assistant III
5. Mr. Jeremy Chabali - Legal Officer
6. Ms. Beatrice Kapei - Legal Officer
7. Mr. Josphat Ng'enh - Media Relations officer.
8. Mr. Victor Kimani - Audio officer

#### IN ATTENDANCE

#### OFFICE OF THE AUDITOR-GENERAL

Mr. Mark Gachanja - Liaison Officer

#### MIN. NO. SEN/CPICSF/009/2025 PRAYER

The meeting was called to order by the Chairperson at fourteen minutes past twelve O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/010/2025****ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Agnes Kavindu Muthama, MP, and seconded by Sen. George Mungai Mbugua, MP as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Confirmation of Minutes;
4. Matters arising from the Previous Minutes;
5. Brief on High Court ruling on the timely consideration of Reports of the Auditor-General and its implication;
6. Brief on the implementation status of the Senate Report on Non-Remittance of Pension Deductions to Pension Schemes by County Governments;
7. Consideration of legislative business before the Committee and formulation of workplan;
8. Any Other Business; and
9. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/011/2025****CONFIRMATION OF MINUTES.**

The Minutes of the first sitting held on Thursday, 20<sup>th</sup> February, 2025; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by William Kisang' Kipkemoi, MP and seconded by Sen. George Mungai Mbugua MP.

**MIN.NO.SEN/CPICSF/012/2025****MATTERS ARISING FROM PREVIOUS MINUTES**

There were matters arising.

**MIN. NO. SEN/CPICSF/013/2025****BRIEF ON HIGH COURT RULING ON THE TIMELY CONSIDERATION OF REPORTS OF AUDITOR-GENERAL AND ITS IMPLICATION.**

The secretariat made a presentation on the matter of the decision of the High Court, sitting in Milimani Law courts, in judicial review application no. E082 of 2023 delivered on 1<sup>st</sup> October 2024 and its implications on the consideration of Reports of the Auditor-General.

The Committee observed that the ruling meant that it had to consider all reports of the Auditor-General under its mandate with the Constitutional timeline contemplated under Article 229(8). The Senate has made an application for a Judicial Review on the matter that was scheduled for further direction on 10<sup>th</sup> March, 2025.

Upon deliberations, the Committee resolved to hold a joint deliberative meeting with the County Public Accounts Committee on **Thursday 27<sup>th</sup> February 2025** to chart the way forward on the matter.

**MIN. NO. SEN/CPICSF/014/2025      BRIEF ON IMPLEMENTATION STATUS  
OF THE SANATE REPORT ON NON-  
REMITTANCE OF PENSION DEDUCTION  
TO THE PENSION SCHEMES BY COUNTY  
GOVERNMENTS.**

The Committee was informed of a request by the Cabinet Secretary, the National Treasury seeking for extension of lifespan of the Taskforce on Non-remittance of Pension deductions to the pension schemes by County Governments.

Upon deliberations, the Committee resolved to invite the Cabinet Secretary, the National Treasury and the Taskforce on the implementation of the Senate Report on Non-Remittance of Pension Deductions to Pension Schemes by County Governments to a meeting of the Committee to be held on Tuesday 11<sup>th</sup> March 2025 to deliberate on their request on extension of time.

**MIN. NO. SEN/CPICSF/015/2025      CONSIDERATION OF LEGISLATIVE  
BUSINESS                                  BEFORE                                  THE  
COMMITTEE AND FORMULATION  
OF WORKPLAN.**

The Secretariat presented the draft workplan for the session to the Committee. Pending a determination on the Judicial Review on the matter the High Court Ruling on the timely consideration of Reports of the Auditor-General, the Committee directed the secretariat to prepare an interim schedule of meetings with counties, to interrogate the current audit reports for the Financial Year 2023/2024.

Owing to the short timelines for considering the audit reports, the Committee resolved to write to the Speaker of the Senate to exempt the Committee from Wednesday morning sittings of the Senate.

**MIN. NO. SEN/CPICSF/016/2025      ANY OTHER BUSINESS**  
There was no any other business.

**MIN.NO.SEN/CPICSF/017/2025                          DATE OF NEXT MEETING &  
ADJOURNMENT.**

The Chairperson adjourned the meeting at fourteen minutes to two O'clock in the afternoon. The next meeting would be by notice.



**SIGNED:** ..... **DATE:** .....26.3.2025.....

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE THIRD SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON MONDAY, 10<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 9.00 A.M.

#### PRESENT

- |  |                    |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson      |
| 2. Sen. Eddy Gicheru Oketch, MP        | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP      | - Member           |
| 4. Sen. William Kipkemoi Kisang, MP    | - Member           |
| 5. Sen. Beth Kalunda Syengo, MP        | - Member           |
| 6. Sen. Peris Pesi Tobiko, CBS, MP     | - Member           |
| 7. Sen. George Mungai Mbugua, MP       | - Member           |
| 8. Sen. Raphael Chimera Mwinzangu, MP  | - Member           |

#### ABSENT WITH APOLOGY

- |                             |          |
|-----------------------------|----------|
| Sen. Hamida Ali Kibwana, MP | - Member |
|-----------------------------|----------|

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant III |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Okola  | - Serjeant-at-arms    |

#### IN ATTENDANCE

##### A. COUNTY GOVERNMENT OF KILIFI

- |                              |                          |
|------------------------------|--------------------------|
| 1. Hon. Gideon Mung'aro, OGW | - Governor               |
| 2. Mr. Martin Mwaro          | - County Secretary       |
| 3. Mr. K. Lughanje           | - County Attorney        |
| 4. Mr. Sifa Karabu           | - Accountant             |
| 5. Mr. Hezekiah Mwarua       | - Chief Officer- Finance |

- |                           |                                     |
|---------------------------|-------------------------------------|
| 6. Mr. Faraji Chipinde    | - County Solicitor                  |
| 7. Mr. Suleiman Salim     | - Chairman, Malindi Municipal       |
| 8. Mr. Benjamin Kahindi   | - PHRM                              |
| 9. Ms. Vivienne Nzai      | - Administrator Kilifi Municipality |
| 10. Mr. Ali Abubakar      | - CCO Housing                       |
| 11. Ms. Carolyn Kamitho   | - Kilifi Municipality Manager       |
| 12. Mr. Rashid Muhamed    | - Chairman                          |
| 13. Mr. Pascal Jira       | - MD KIMAWASCO                      |
| 14. Mr. George Mwangiri   | - Chief Officer Water               |
| 15. Mr. Ismail Juma       | - Procurement Manager               |
| 16. Ms. Fatuma Mwidadi    | - Human Resource Manager            |
| 17. Mr. Gona Mwembe       | - Technical & Operations Manager    |
| 18. Ms. Diana Kembo       | - Administrator Liaison Office      |
| 19. Mr. Omar Said         | - County Executive Member           |
| 20. Mr. Felix Wanje       | - MD MAWASCO                        |
| 21. Mr. Binyanya Benjamin | - Legal Advisor                     |
| 22. Mr. Amani Franklin    | - Accountant                        |

#### **B. OFFICE OF THE AUDITOR GENERAL**

- |                       |                         |
|-----------------------|-------------------------|
| 1. Mr. Muigai Ikame   | - Deputy Director Audit |
| 2. Mr. Jackson Ndungo | - Auditor               |
| 3. Mr. Mark Gachanja  | - Liaison Officer       |

#### **C. THE NATIONAL TREASURY**

- |                    |                   |
|--------------------|-------------------|
| Dr. Jackson Ndungo | - Liaison Officer |
|--------------------|-------------------|

#### **D. OFFICE OF THE CONTROLLER OF BUDGET**

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|----------------------|-------------------|
| Ms. Constance Wasike | - Liaison Officer |
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#### **MIN. NO. SEN/CPICSF/18/2025 PRAYER**

The meeting was called to order by the Chairperson at thirty minutes past nine O'clock followed by a word of prayer.

#### **MIN. NO. SEN/CPICSF/19/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Agnes Kavindu Muthama, MP and seconded by Sen. William Kipkemoi Kisang, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Kilifi to consider Reports of the Auditor-General on the Financial Statements of the Kilifi-Mariakani Water and Sewerage

Company Limited, Malindi Water and Sewerage Company Limited, Kilifi Municipality and Malindi Municipality for financial year 2023/2024;

5. Any Other Business;
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/20/2025**

**ADMINISTRATION OF OATH OF WITNESS  
AND TABLING OF DOCUMENTS**

The Governor of Kilifi County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of the Malindi Water and Sewerage Company Limited, Kilifi-Marakiani Water and Sewerage Company Limited, Kilifi Municipality and Malindi Municipality for financial year 2023/2024.

**MIN. NO. SEN/CPICSF/21/2025**

**MEETING WITH THE COUNTY EXECUTIVE  
OF KILIFI TO CONSIDER REPORTS OF THE  
AUDITOR-GENERAL ON THE FINANCIAL  
STATEMENTS OF THE KILIFI-MARIAKANI  
WATER AND SEWERAGE COMPANY LIMITED,  
MALINDI WATER AND SEWERAGE COMPANY  
LIMITED, KILIFI MUNICIPALITY AND  
MALINDI MUNICIPALITY FOR FINANCIAL  
YEAR 2023/2024**

**a. Report of the Auditor-General on the Financial Statements of the  
Municipality of Kilifi**

The Committee observed that whereas all issues raised by the Auditor-General on the financial statements of the Municipality of Kilifi had been addressed following submission of the relevant documents and information, the submission happened outside the timelines contemplated under the Public Audit Act. The Committee resolved to consider the written responses and give a way forward on the matter of submission of documents outside the audit timelines.

**b. Report of the Auditor-General on the Financial Statements of the Kilifi-  
Mariakani Water and Sewerage Company Limited**

The Governor of Kilifi County requested more time to file adequate responses for issues raised in the Report of the Auditor-General on the Financial Statements of the Kilifi-Mariakani Water and Sewerage Company Limited and the Committee acceded to the request. The Committee directed the Governor to ensure that responses are filed before 31<sup>st</sup> March, 2025.

**c. Report of the Auditor-General on the Financial Statements of the  
Municipality of Malindi**

The Committee resolved to consider written management responses for the issues raised in the Report of the Auditor-General of Municipality of Malindi.

**d. Report of the Auditor-General on the Financial Statements of the Malindi Water and Sewerage Company Limited**

The following issues were considered -

REPORT ON FINANCIAL STATEMENTS		
Audit Query	Concern	Observation and Recommendations
<b>1. Unsupported Bulk Water Cost</b>	<ul style="list-style-type: none"> <li>Expenditure amounting to Kshs.192,927,622 on purchase of bulk water was not supported by way of master meter readings.</li> <li>Bulk water expenditure of Kshs.171,724,393 for electricity bills paid to KPLC on behalf of Coast Water Works Development Agency (CWWDA) not supported with an agreement between the two (2) parties.</li> </ul>	<p>The Committee noted that the water company had been paying electricity bills to Kenya Power and Lighting Company (KPLC) on behalf of the Coast Water Works Development Agency (CWWDA) without any formal agreement between the two parties.</p> <p>The Committee directed the Governor to facilitate the development of a tripartite agreement among the County Government, Kenya Power, and CWWDA within 60 days from the date of the meeting. This agreement should clearly define and formalize the terms of engagement.</p> <p><b>The query remains unresolved.</b></p>
<b>2. Long Outstanding Trade and Other Receivables Balance</b>	<ul style="list-style-type: none"> <li>Kshs.330,680,177 in respect of debts had been outstanding for more than six months.</li> <li>The customers' accounts did not reflect current bills an indication that accounts were not active.</li> <li>No evidence of debt recovery measures provided.</li> <li>Long outstanding customer deposit receivables of Kshs.8,443,600 had been outstanding since the inception of the water company and were to be refunded by the Coast Water Works Development Agency (CWWDA).</li> </ul>	<p>The Committee observed that –</p> <ul style="list-style-type: none"> <li>the water had engaged the services of a debt collector who had proven to be ineffective and was therefore in the process of terminating their services.</li> <li>The water company had no debt management policy.</li> <li>Customer deposits receivables amounting to Kshs. 8,443,600 had remained unremitted to the water company by CWWDA since the company's inception.</li> </ul> <p>The Committee directed the Accounting Officer to submit to the Auditor-General, a debtors schedule with a clear breakdown of debtors categories. Auditor-General to review provide a status update in the subsequent audit cycle.</p> <p>The Committee also directed the</p>

		<p>Governor to ensure the water company puts in place a debt management policy within 90 days from the date of the meeting and provide evidence of the same to the Auditor-General for verification. Auditor-General to review provide a status update in the subsequent audit cycle.</p> <p><b>The query remains unresolved.</b></p>
<p><b>3. Long Outstanding Trade and Other Payables Balance</b></p>	<ul style="list-style-type: none"> <li>• Long outstanding bulk water purchases from CWWDA amounting to Kshs.544,312,512 were not supported by bulk water purchase agreement or statements from the Board demanding payments.</li> <li>• Employee payables of Kshs.21,643,104 that have not supported by a payroll.</li> <li>• Note 34 to the financial statements reflects Kshs.949,769,352 which vary with the balance of Kshs.965,350,866 resulting to variance of Kshs.15,581,514.</li> </ul>	<p>The Committee observed that the variance of Kshs. 15,582,514 was a result of casting errors in the financial statements.</p> <p>The Committee directed the Accounting Officer to ensure that the necessary adjustments are done using the relevant journal entries and submit evidence of the same to the Auditor-General for verification. The Auditor-General to provide a status update on the matter in the subsequent audit cycle.</p> <p>The Committee further directed the Accounting Officer to ensure that the financial statements prepared by the water company are accurate in line with regulation 101(4) of the Public Finance Management (County Governments) Regulations, 2015</p> <p><b>The query remains unresolved.</b></p>
<p><b>4. Inaccurate Customer Deposits Balance</b></p>	<ul style="list-style-type: none"> <li>• Customer deposits of Kshs.79,613,114 while the bank statement reflects Kshs.1,298,963 resulting to a variance of Kshs.78,314,151. Board approvals for use of the funds in financing operating activities not provided</li> </ul>	<p>The Committee observed that the water company utilized customers' deposits without approval and directed the Accounting Officer to ensure that utilization of customer is in line with section 142 of the Public Finance Management Act.</p> <p><b>The query remains unresolved.</b></p>
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>		
<p><b>Non-Compliance with Affirmative Action on Gender, Ethnicity and Regional Balance</b></p>	<p>The water company had 216 staff out of which -</p> <ul style="list-style-type: none"> <li>• 1% were persons living with disability</li> <li>• 67% of the staff population come from the dominant ethnic group.</li> <li>• 177 (83%) of the staff population were male.</li> </ul>	<p>The Committee directed the Governor to ensure that the water company makes deliberate efforts to progressively comply with section 7 (1) and (2) of the National Cohesion and Integration Act and Section 65(1) (e) of the County Governments Act on diversity, realization of the one third rule on</p>

		recruitment in public institutions and ethnic inclusivity.  <b>The query remains unresolved.</b>
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**Interventions and Directive**

Upon deliberations, the Committee gave the following general directives –

- i. The Governor of Kilifi County, through the KIMAWASCO Board establishes a tripartite agreement between the Board, Kenya Power and Coast Water Works Development Agency to establish a formal agreement outlining pre agreed terms of engagement within 60 days;
- ii. The Governor of Kilifi County, through Kilifi-Mariakani Water and Sewerage Company Limited furnishes the Committee with the management responses on the audit queries raised before 31<sup>st</sup> March 2025
- iii. The Committee directed that the County furnishes the Committee with the debt recovery signed agreement and debtors aging schedule within 24 hours; and
- iv. The Committee directed the County Executive Committee Member responsible for Finance to ensure that Accounting Officers prepare financial statements that are in line with regulation 101(4) of the Public Finance Management (County Governments) Regulations, 2015.

**MIN. NO. SEN/CPICSF/22/2025 ANY OTHER BUSINESS**

The Committee contemplated on the conducting County Visits to Kilifi County to inspect the water projects.

**MIN. NO. SEN/CPICSF/23/2025 DATE OF NEXT MEETING & ADJOURNMENT**

The Chairperson adjourned the meeting at twelve minutes past twelve o'clock in the afternoon. The next meeting would be on Monday, 10<sup>th</sup> March, 2024 at two o'clock in the afternoon.



**SIGNED: ..... DATE: .....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE FOURTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON MONDAY, 10<sup>TH</sup> MARCH, 2025 AT COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 2.00 P.M.

#### PRESENT

- |  |                    |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson      |
| 2. Sen. Eddy Gicheru Oketch, MP        | - Vice-Chairperson |
| 3. Sen. William Kipkemoi Kisang, MP    | - Member           |
| 4. Sen. Peris Pesi Tobiko, CBS, MP     | - Member           |
| 5. Sen. Agnes Kavindu Muthama, MP      | - Member           |
| 6. Sen. Beth Kalunda Syengo, MP        | - Member           |
| 7. Sen. George Mungai Mbugua, MP       | - Member           |
| 8. Sen. Raphael Chimera Mwinzangu, MP  | - Member           |

#### ABSENT WITH APOLOGY

- |                             |          |
|-----------------------------|----------|
| Sen. Hamida Ali Kibwana, MP | - Member |
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#### IN ATTENDANCE

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|-------------------------|-------------------------------|
| Sen. Johnes Mwaruma, MP | - Senator Taita Taveta County |
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#### SECRETARIAT

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|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant II  |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Mr. Raisa Mwithi    | - Research Officer    |
| 8. Mr. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Okola  | - Serjeant-at-arms    |

#### IN ATTENDANCE

##### A. COUNTY GOVERNMENT OF TAITA TAVETA

- |                        |                |
|------------------------|----------------|
| 1. Hon. Andrew Mwadime | - Governor     |
| 2. CPA. Mwaro Elijah   | - CECM-Finance |

- |                          |                         |
|--------------------------|-------------------------|
| 3. Mrs. Christina Zighe  | - CECM-Lands            |
| 4. Mr. Benson Mwangoi    | - MD-Tavevo             |
| 5. Mr. Rachel Mwadime    | - Voi Municipal Manager |
| 6. Mr. Nashon Nyali      | - CCO-Trade             |
| 7. Mrs. Violet Mkambuni  | - CCO-Health            |
| 8. Mr. Mwang'ombe Mwakio | - County Attorney       |
| 9. Mrs. Laura Mghoi      | - Accountant            |
| 10. CPA. Ramla Babu      | - Accountant            |
| 11. Mrs. Amina Suleiman  | - Health accountant.    |

**B. OFFICE OF THE AUDITOR GENERAL**

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|----------------------|----------------------------|
| 1. Mr. Muigai Ikame  | - Deputy Director of Audit |
| 2. Mr. Mark Gachanja | - Liaison Officer          |

**C. THE NATIONAL TREASURY**

- |                    |                   |
|--------------------|-------------------|
| Dr. Jackson Ndungo | - Liaison Officer |
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**D. OFFICE OF THE CONTROLLER OF BUDGET**

- |                       |                   |
|-----------------------|-------------------|
| Mrs. Constance Wasike | - Liaison Officer |
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**MIN. NO. SEN/CPICSF/24/2025          PRAYER**

The meeting was called to order by the Chairperson at thirty minutes past two O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/25/2025          ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. George Mbugua, MP and seconded by Sen. Agness Kavindu, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with County Executive of Taita-Taveta to consider Reports of the Auditor-General on the Financial Statements of the Taita Taveta County Facilities Improvement Fund Board, the Tavevo Water and Sewerage Company Limited, the Municipality of Voi and the Special Municipality of Mwatate Fund Board for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/26/2025          ADMINISTRATION OF OATH OF WITNESS AND TABLING OF DOCUMENTS**

The Governor of Taita Taveta County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of the Taita Taveta County Facilities Improvement Fund Board, the Tavevo Water and Sewerage Company Limited, the Municipality of Voi and the Special Municipality of Mwatate Fund Board for Financial Year 2023/2024.

MIN. NO. SEN/CPICSF/27/2025

**MEETING WITH COUNTY EXECUTIVE OF TAITA TAVETA TO CONSIDER REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE TAITA TAVETA COUNTY FACILITIES IMPROVEMENT FUND BOARD, THE TAVEVO WATER AND SEWERAGE COMPANY LIMITED, THE MUNICIPALITY OF VOI AND THE SPECIAL MUNICIPALITY OF MWATATE FUND BOARD FOR FINANCIAL YEAR 2023/2024**

The Following queries were interrogated in the Special Municipality of Mwatate

REPORT ON THE FINANCIAL STATEMENTS		
Audit Query	Concern	Observation and Recommendations
1. Unsupported Fixed Assets	Fixed assets register, valuation report, ownership documents and depreciation policy were not provided for audit review to ascertain the true value of the water company's assets.	<p>The Committee observed that the county government of Taita Taveta was in the process of developing the county depreciation policy that would be adopted by the municipality. The Committee directed the Governor through the County Executive Committee Member responsible for Finance to:</p> <ul style="list-style-type: none"> <li>• Ensure that the process is concluded within 90 days from the date of the meeting.</li> <li>• Submit evidence of the same to the Auditor-General for verification.</li> </ul> <p>The Auditor-General to provide a status update on the same in the subsequent audit cycle.</p> <p><b>The query remains unresolved.</b></p>
2. Budgetary Control and Performance	There was budgetary underfunding of Kshs. 324,533, or 13% of the budget which may have affected the planned activities of Municipality and may have negatively impacted service delivery to the public.	<p>The Committee Observed that there was 13% underfunding of Municipality of Mwatate.</p> <p>The Committee directed the Municipal Board and the Accounting Officer responsible for</p>

		the Municipality to comply with regulation 42(1)(b) of the Public Finance Management (County Government) Regulations, 2015 on exerting budgetary control measures. <b>The query remains unresolved.</b>
<b>3. Unsupported expenditures- Domestic Travel and Subsistence.</b>	Domestic travel and subsistence expenditure amounting to Kshs.699,407 was not supported with program and attendance registers for the activities, return to work reports and reasons for payment.	The committee observed that – <ul style="list-style-type: none"> <li>• the Programme of activities and attendance registers were provided to the Auditor-General outside the audit timelines.</li> <li>• Mitigation measures to ensure that subsistence allowances are not paid to one officer on behalf of the others have been put in place.</li> <li>• Return-to-work report for expenditure of Kshs.128,100, on staff facilitation of the Council of Governors office, Nairobi was not provided for audit review.</li> <li>• The return-to-work report submitted on expenditure of Kshs.100,400, on Symposium at KSG is not dated and had no addressee.</li> </ul> <p>Having noted that there was violation of section 9(1)(e) of the Public Audit Act, the Committee resolved to give a comprehensive recommendation on the matter during report writing.</p> <b>The query remains unresolved.</b>

**The Following queries were interrogated in the Municipality of Voi**

<b>REPORT ON THE OTHER MATTER</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>1. Budgetary Control and Performance</b>	The Municipality spent Kshs. 706,708 against an approved budget of Kshs. 2,200,00 resulting in under-expenditure of Kshs. 1,493,293 or 76% of the budget.	The Committee observed that whereas the explanation for the under-expenditure provided by the Accounting Officer was satisfactory and the query marked as resolved, the submission was done outside the timelines contemplated under the Public

		Audit Act and constitutes an offense under section 62(2) of the Act. The Committee to give way forward on the matter during its report writing.
<b>2. Lack of Strategic Plan</b>	Management prepared an approved budget contrary to section 175(1) of the Public Finance Management Act, 2012 on budget and budgetary process for urban areas and cities which requires an urban area or city to develop a strategic plan based on the integrated development plan that is consistent with the County fiscal strategy paper.	The Committee observed that whereas management had attached evidence of supplementary budget of Ksh.2,200,000 to support the office operations as the Municipality board was not in place, during the period of budget process and the query marked as resolved, the submission was done outside the timelines contemplated under the Public Audit Act and constitutes an offense under section 62(2) of the Act. The Committee to give way forward on the matter during its report writing.

**The Following queries were interrogated in the Tavevo Water and Sewerage Company Limited**

<b>REPORT ON THE FINANCIAL STATEMENTS</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>1. Material Uncertainty Related to Going Concern.</b>	The water company recorded a negative working capital of Kshs.331,581,001 representing a current ratio of 0.66. The increasing negative working capital and current ratio of less than one (1) is an indication that the Company may not meet its obligations as and when they fall due.	<p>The committee observed that the existence of material uncertainty cast doubt on the Company's ability to continue as a going concern and that the Company's existence is dependent on continued support from the County Government of Taita Taveta and creditors.</p> <p>The committee directed as follows</p> <ul style="list-style-type: none"> <li>• governor to take keen interest in the management of the water company;</li> <li>• to give a fair view of the company's assets, the Accounting Officer responsible for the water company to undertake a detailed analysis of its long outstanding trade receivables and with the Board's approval, write off the irrecoverable debts in line with the Section 130(2)(d) of the Public Finance Management (County Governments)</li> </ul>

		<p>Regulations, 2015;</p> <ul style="list-style-type: none"> <li>the water company to put in place comprehensive measure to tackle Non-Revenue Water which leads to loss of revenue.</li> </ul> <p><b>The query remains unresolved.</b></p>
<b>2. Non-Revenue water</b>	<p>Approximately 3,071,469 cubic meters or approximately 50% of the total volume produced was recorded as Non-Revenue Water (NRW). This is 25 percentage points above the sector benchmark of 25% as per WASREB guidelines. Further the non-revenue water reported of 50% is an increase by 8% from the 42% reported in the previous financial year.</p>	<p>The Committee observed that the significant level for non-revenue water may have had a negative impact on the Company's profitability and could affect sustainability of its operations.</p> <p>The Committee directed the governor, through the County Executive Committee Member responsible for water to ensure the water company puts in place comprehensive measures to tackle the high Non-Revenue water and submit them to the Auditor-General for monitoring. The measures should address both the physical and the commercial losses. The Auditor-General to provide a status update on the effectiveness of the measures in the subsequent audit cycle.</p> <p><b>The query remains unresolved.</b></p>
<b>3. Budgetary Control and performance</b>	<p>The water company's budget had revenue shortfall of Kshs.536,990,007, or 50% of the budget and an under absorption of Kshs.715,291,030, or 40% of the budgeted amount.</p>	<p>The Committee observed that the revenue shortfall and under expenditure may have affected the planned activities and may have impacted negatively on service delivery to the public.</p> <p>The Committee directed the governor, through the County Executive Committee Member responsible for finance to ensure that the Accounting Officers responsible for the Special Tavevo Water and Sewerage Company Limited to comply with regulation 42(1)(b) of the Public Finance Management (County Government) Regulations, 2015 on exerting budgetary control measures.</p> <p><b>The query remains unresolved.</b></p>
<b>4. Lack of Ethnic</b>	<p>The Company had six officers in Senior</p>	<p>The committee observed that water</p>

<p><b>Diversity in Staff Establishment</b></p>	<p>Management positions, out of whom five, or 83%, were from a dominant ethnic community, and two hundred and one (201), or 89% of the Company's two hundred and twenty-five (225) non-managerial staff were from the same ethnic community contrary to Section 7(2) of the National Cohesion and Integration Act, 2008.</p>	<p>company had failed to adhere to Section 7(2) of the National Cohesion and Integration Act, 2008.</p> <p>The committee directed the governor through the County Executive Committee Member responsible for Water ensures that the Accounting Officer responsible for the water company make deliberate effort to progressively endeavor to comply with Section 7 (1) and (2) of the National Cohesion and Integrity Act, 2008, which requires that public establishments shall seek to represent the diversity of the people of Kenya in employment of staff.</p> <p><b>The query remains unresolved</b></p>
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### **Interventions and Directives**

The committee gave the following general directives-

- i. Noting that the County Government of Taita-Taveta was in the process of developing a Depreciation Policy on Property, Plant and Equipment, the Committee directed the Governor, through the County Executive Committee Member responsible for Finance to ensure that the process is concluded within 90 days from the date of the meeting and submit evidence of the same to the Auditor-General for verification. The Auditor-General to provide a status update on the matter in the subsequent audit cycle;
- ii. The Accounting Officers responsible for the Special Municipality of Mwatate and the Voi Municipality to comply with regulation 42(1)(b) of the Public Finance Management (County Government) Regulations, 2015 on exerting budgetary control measures;
- iii. The Governor to take keen interest in the management of Tavevo Water and Sewerage Company Limited;
- iv. The Governor, through the County Executive Committee Member responsible for water to put in place elaborate measures to reduce the non-revenue water from the current 50% to a level that is within Water Services Regulatory Board (WASREB) guidelines and file evidence of the same to the Auditor-General within 14 days from the date of the meeting. The Auditor-General to provide a status update on the effectiveness of the measures in the subsequent audit cycle; and
- v. Having noted that there were irregular allowances to members of the Board of Directors, the Committee directed the Governor make recoveries of the payments within 60 days from the date of the meeting and provide evidence of the same to the Auditor-General for verification. The Auditor-General to provide a status update on the matter in the subsequent audit cycle.

**MIN. NO. SEN/CPICSF/28/2025      ANY OTHER BUSINESS**

There was no any other business.

**MIN. NO. SEN/CPICSF/29/2025      DATE OF NEXT MEETING &  
ADJOURNMENT**

The Chairperson adjourned the meeting at fourteen minutes to six o'clock in the evening. The next meeting would be on Tuesday, 11<sup>th</sup> March, 2025.



**SIGNED: ..... DATE: .....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE FIFTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON TUESDAY, 11<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 9.00 A.M.

#### PRESENT

- |  |               |
|--|---------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson |
| 2. Sen. William Kipkemoi Kisang, MP    | - Member      |
| 3. Sen. Agnes Kavindu Muthama, MP      | - Member      |
| 4. Sen. Peris Pesi Tobiko, CBS, MP     | - Member      |
| 5. Sen. George Mungai Mbugua, MP       | - Member      |
| 6. Sen. Raphael Chimera Mwinzangu, MP  | - Member      |

#### ABSENT WITH APOLOGY

- |                                 |                    |
|---------------------------------|--------------------|
| 7. Sen. Eddy Gicheru Oketch, MP | - Vice-Chairperson |
| 8. Sen. Beth Kalunda Syengo, MP | - Member           |
| 9. Sen. Hamida Ali Kibwana, MP  | - Member           |

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant II  |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Okola  | - Serjeant-at-arms    |

#### IN ATTENDANCE

##### A. OFFICE OF THE CONTROLLER OF BUDGET

- |                         |                   |
|-------------------------|-------------------|
| 1. Mr. Constance Wasike | - Liaison Officer |
|-------------------------|-------------------|

##### B. THE NATIONAL TREASURY

- |                    |                   |
|--------------------|-------------------|
| Dr. Jackson Ndungo | - Liaison Officer |
|--------------------|-------------------|

**MIN. NO. SEN/CPICSF/30/2025            PRAYER**

The meeting was called to order by the Chairperson at forty-five minutes past nine O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/31/2025            ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Agnes Kavindu Muthama, MP and seconded by Sen. Sen. George Mbugua, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Confirmation of Minutes;
4. Matters Arising from previous minutes;
5. Meeting with Cabinet Secretary, The National Treasury and Economic Planning to deliberate on the matter of task force on non- remittances of pension deductions. (Committee Paper No.7 of 2025);
6. Any Other Business; and
7. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/32/2025            CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting.

**MIN. NO. SEN/CPICSF/33/2025            MATTERS ARISING FROM  
PREVIOUS  
MINUTES**

The agenda item was deferred to the next meeting.

**MIN. NO. SEN/CPICSF/34/2025            MEETING WITH CABINET  
SECRETARY, THE NATIONAL  
TREASURY AND ECONOMIC  
PLANNING TO DELIBERATE ON THE  
MATTER OF TASK FORCE ON NON-  
REMITTANCES OF PENSION  
DEDUCTIONS**

The Committee received a letter (Ref: IGFR/NRPDCG/101/B/ (09), dated March 10, 2025) from the Cabinet Secretary, The National Treasury and Economic Planning, requesting a postponement of the scheduled meeting to a later date as it coincided with

a meeting of the Cabinet. The Committee considered the contents of the letter and acceded to the request.

**MIN. NO. SEN/CPICSF/35/2024      ANY OTHER BUSINESS**

1. To comply with the High Court ruling on timely consideration of the reports of the Auditor-General on various county entities, the Committee resolved to schedule as many meetings as possible before the deadline, pending further guidance from the Liaison Committee.; and
2. to undertake an induction/orientation retreat in the first week of April, 2025.

**MIN. NO. SEN/CPICSF/36/2025      DATE OF NEXT MEETING & ADJOURNMENT**

The Chairperson adjourned the meeting at twenty-seven minutes past ten O' clock. The next meeting would be on Thursday, 13<sup>th</sup> March, 2024.



**SIGNED: ..... DATE: ....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE SIXTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON THURSDAY, 13<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 11.30 A.M.

#### PRESENT

- |  |                    |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson      |
| 2. Sen. Eddy Gicheru Oketch, MP        | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP      | - Member           |
| 4. Sen. William Kisang' Kipkemoi       | - Member           |
| 5. Sen. Peris Pesi Tobiko, CBS, MP     | - Member           |
| 6. Sen. Beth Kalunda Syengo, MP        | - Member           |
| 7. Sen. George Mungai Mbugua, MP       | - Member           |
| 8. Sen. Raphael Chimera Mwinzagu       | - Member           |

#### ABSENT WITH APOLOGY

- |                                |          |
|--------------------------------|----------|
| 9. Sen. Hamida Ali Kibwana, MP | - Member |
|--------------------------------|----------|

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant III |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Ouma   | - Serjeant-at-arms    |

#### IN ATTENDANCE

##### A. COUNTY GOVERNMENT OF NANDI

- |                         |                    |
|-------------------------|--------------------|
| 1. Hon. Stephen K. Sang | - Governor, Nandi  |
| 2. Amb. Francis Sang    | - County Secretary |
| 3. Mr. Fredrick Kiptum  | - CO, Health       |

- |                                 |  |
|---------------------------------|--|
| 4. Mr. Alfayo Lel               | -Municipal Manager                     |
| 5. Ms. Caroline Laga            | -CO, Finance ERP                       |
| 6. Mr. Colimas Tanui            | -Accountant                            |
| 7. Mr. Njuguna Kari             | -Health Admin                          |
| 8. Mr. Limo Obed                | -IFA                                   |
| 9. Dr. Jackline Chepchirchir    | -CEC, Health (Nandi)                   |
| 10. Mr. Mark J. Maristina       | -Chair, NNHIF Kapkatet NHIF            |
| 11. Dr. Tamir S. Kimso          | -Medical Superintendent, Kapkatet NHIF |
| 12. Hellen Kemboi               | -Director, Finance                     |
| 13. Mr. Fredrick Kiptum         | -CO, Health CGN                        |
| 14. Mr. Kiplay K. Serem         | -CO, Finance & Economic Planning       |
| 15. Mr. Japheth K. Tirop        | -Head of Procurement                   |
| 16. Ms. Brenda Kiprono          | -Ag. Director, Comms                   |
| 17. Mr. Elkashan Lemir          | -Communication Officer                 |
| 18. Mr. Willy Rotich            | -Protocol Officer                      |
| 19. Mr. Amos K. Mage            | -A.D. SCM                              |
| 20. Mr. Micah Kipleting<br>NHIF | -Component Manager, Kapkatet           |
| 21. Mr. Albert Cheruiyot        | -ACDM                                  |

**B. OFFICE OF THE AUDITOR GENERAL**

- |                       |                         |
|-----------------------|-------------------------|
| 1. Mr. Andrew Kintu   | - Director Audit        |
| 2. Mr. Jackson Ndungo | - Deputy Director Audit |
| 3. Mr. Mark Gachanja  | - Liaison Officer       |

**C. THE NATIONAL TREASURY**

Rev. CPA K. Wiriga	- Liaison Officer
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**D. OFFICE OF THE CONTROLLER OF BUDGET**

Ms. Constance Wasike	- Liaison Officer
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**MIN. NO. SEN/CPICSF/37/2025 PRAYER**

The meeting was called to order by the Chairperson at twelve O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/38/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Beth Kalunda Syengo, MP and seconded by Sen. Peris Pesi Tobiko, CBS, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;

4. Meeting with the County Executive of Nandi to consider audit reports Nandi Water and Sanitation Company Limited, Kapsabet County referral Hospital, and Kapsabet Municipality for financial years 2023/2024. (*Committee Paper No.9 of 2025*);
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/39/2025                      ADMINISTRATION OF OATH OF WITNESS AND TABLING OF DOCUMENTS**

The Governor of Nandi County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of the Nandi Water and Sanitation Company Limited, Kapsabet County referral Hospital, and Kapsabet Municipality for financial years 2023/2024

**MIN. NO. SEN/CPICSF/40/2025                      MEETING WITH THE COUNTY EXECUTIVE OF NANDI TO CONSIDER AUDIT REPORTS NANDI WATER AND SANITATION COMPANY LIMITED, KAPSABET COUNTY REFERRAL HOSPITAL, AND KAPSABET MUNICIPALITY FOR FINANCIAL YEARS 2023/2024**

The Following queries were interrogated in Nandi Municipality-.

**a. For the Year ended 2023/2024**

<b>REPORT ON FINANCIAL STATEMENTS</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>Inaccuracies in the Financial Statements</b>	<p>The property, plant and equipment movement schedule at Note 24 was not prepared in the prescribed format.</p> <p>Capital development grants of Kshs.58,291,174 and accumulated surplus of Kshs.94,616,882 were not supported in the Notes to the financial statements</p>	<p>The Committee directed that the County submits the corresponding journal entries to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025</p> <p><b>The query was marked as un-resolved.</b></p>

<p><b>Cash and cash equivalents</b></p>	<p>Cashbook not being checked and signed by the expenditure accountant.</p> <p>receipts under Kapsabet Municipality UDG Account in a Commercial Bank totalling to Kshs.13,983,959 from UDG Special Purpose Account not recorded in the cashbook.</p>	<p>The Committee directed that the County submits the corresponding journal entries to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025</p> <p><b>The query was marked as un-resolved.</b></p>
<p><b>Material Uncertainty Related to Going Concern - Lack of independence and</b></p>	<p>Lack of independence and operational autonomy cast doubt on the going concern of the municipality</p>	<p>The Committee directed that the Governor ensures that the Nandi Municipality attains full operational independence by the end of the Financial Year 2024/2025 in line the PFM Act and Urban Areas and Cities Act. The Auditor General to monitor the matter and provide the status update in the subsequent audit cycle in the financial year 2024/2025</p> <p><b>The query was marked as un-resolved.</b></p>
<p><b>EMPHASIS OF MATTER</b></p>		
<p><b>Budgetary Control and Performance</b></p>	<p>The expenses and revenues were erroneously reported.</p> <p>There was an under expenditure of Kes.10,438,722</p>	<ul style="list-style-type: none"> <li>- The Committee directed that the County submits the corresponding journal entries to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025</li> <li>- The Committee observed that there were instances of under expenditure and</li> </ul>

		<p>under-collection of the projected revenues, hence this affected the planned activities impacting negatively on service delivery to the public contrary to regulation 42(1) (b) of the Public Finance Management (County Government) Regulations, on exerting budgetary control measures. The Committee directed the Accounting officer to ensure compliance with the above.</p> <p><b>The query was marked as un-resolved.</b></p>
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**REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

<p><b>Presentation and Disclosures in the Financial Statements</b></p>	<p>the financial statements were not prepared in accordance with the reporting template provided by the Public Sector Accounting Standards Board (PSASB) for 2023-2024 year of reporting.</p>	<p>The Committee directed the Accounting officer to ensure that the financial statements should be prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) from time to time. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025.</p> <p><b>The query was marked as un-resolved.</b></p>
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The Following queries were interrogated in the Kapsabet Nandi Water and Sanitation Company Limited –

a. For the Year ended 2023/24

<b>REPORT ON FINANCIAL STATEMENTS</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>Property, Plant and Equipment</b>	assets amounting to Kshs.706,977,432 because they still belong to, and are being reflected in the asset register of, Lake Victoria North Water Works Development Agency (LVNWWDA)	The Committee resolved to write to the Standing Committee on Devolution and Inter-Governmental Relations to ensure that regional water bodies transfer assets to water service providers in counties.  The query remains unresolved.
<b>EMPHASIS OF MATTER</b>		
<b>Budgetary Control and Performance</b>	variance in income which was occasioned by delayed disbursement from Water Sector Trust Fund (WSTF) as had been anticipated during the year under review.	The Committee directed that the Governor through the Kapsabet Nandi Water and Sanitation Company furnishes the Committee with bank statements by close of business 13 <sup>th</sup> March 2025, showing Kes.6.6m to account for the variance due to late disbursement of funds.  The query remains unresolved.
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>		
<b>Non-Revenue Water</b>	high non-revenue water of 39% above the sector benchmark of 25% as per WASREB	The Committee directed that the Governor establishes better ways of reducing non-revenue water by accounting for what owed to theft, dilapidated infrastructure and donations if any.

<b>Trade and Other Receivables</b>	increase in trade receivables by Kshs.7,041,086 standing at Kes. 25,008,529 compared to the previous financial year. debts totalling to Kshs.12,810,242 representing 51% of the balance had remained outstanding for over 90 days	The Committee directed that the County establishes a quantitative analysis on the debtor's schedule to ascertain what was owed by Public and private institutions to establish prudent measures of follow up
<b>Long Outstanding Trade Payables</b>	trade and other payables amounting to Kshs.8,919,619 had been outstanding for over 365 days	The Committee directed the Governor to use own source revenues to settle the outstanding obligations

**The committee noted the following in the Auditor General's report Kapsabet County referral Hospital for the financial year 2024/2025-**

That the Auditor General classified the financial statements for Kapsabet County Referral Hospital as adverse owing to misrepresentation of financial statements, lack of supporting documents which rendered a limited scope to the Auditor to make meaningful inferences and resolved not to consider the audit report. The committee therefore directed that the Auditor General conducts a special audit within 60 days from the date of the meeting.

**Interventions and Directive**

Upon deliberations, the Committee gave the following general directives –

- i. That the Committee writes to the Devolution and Inter- Governmental Relations Committee to take up the transfer of assets from Regional Water Works to Water Companies in Counties;
- ii. That the Governor through the Kapsabet Nandi Water and Sanitation Company furnishes the Committee with bank statements by close of business 13<sup>th</sup> March 2025, showing Kes.6.6m to account for the variance due to late disbursement of funds;
- iii. That the Governor shares the status report of the implementation of unresolved prior years audit issues within 7 days;
- iv. That the Committee fiscal analyst prepares the Committee with data on the monies owed by Government institutions to Counties;
- v. That the Governor establishes better ways of reducing non-revenue water by accounting for what owed to theft, dilapidated infrastructure and donations if any;
- vi. That the Committee requests ICPAK for secondment of an officer to be embedded in the Committee meetings;
- vii. That the Governor through the County Public Service Board recruits qualified accountants with good standings; and

viii. That the Auditor General undertakes a special audit Kapsabet County referral Hospital for financial years 2023/2024 within 60 days.

**MIN. NO. SEN/CPICSF/41/2025      ANY OTHER BUSINESS**

There was no other business discussed in the meeting.

**MIN. NO. SEN/CPICSF/42/2025      DATE OF NEXT MEETING &  
ADJOURNMENT**

The Chairperson adjourned the meeting at thirty minutes past two o'clock in the afternoon. The next meeting would be on Monday, 17<sup>th</sup> March, 2024 at nine o'clock in the morning.



**SIGNED: ..... DATE: ...26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS,MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE SEVENTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON MONDAY, 17<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 9.00 A.M.

#### PRESENT

- |  |                    |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson      |
| 2. Sen. Eddy Gicheru Oketch, MP        | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP      | - Member           |
| 4. Sen. Peris Pesi Tobiko, CBS, MP     | - Member           |
| 5. Sen. Beth Kalunda Syengo, MP        | - Member           |
| 6. Sen. George Mungai Mbugua, MP       | - Member           |
| 7. Sen. Raphael Chimera Mwinzagu       | - Member           |

#### ABSENT WITH APOLOGY

- |                                  |          |
|----------------------------------|----------|
| 8. Sen. William Kisang' Kipkemoi | - Member |
| 9. Sen. Hamida Ali Kibwana, MP   | - Member |

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant III |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Ouma   | - Serjeant-at-arms    |

#### IN ATTENDANCE

##### A. COUNTY GOVERNMENT OF WAJIR

- |                         |              |
|-------------------------|--------------|
| 1. FCPA Ahmed Abdullahi | -Governor    |
| 2. CPA Mohamed Hassan   | -CEC Finance |
| 3. Dr. Dahir Somow      | -CEO WCRH    |

- |                             |                            |
|-----------------------------|----------------------------|
| 4. Mr.Noble Ahmed           | -MD NASWHCO                |
| 5. Mr. Mohamed A. Guhaad    | -CCO Medical Services      |
| 6. Mr. John Maina           | -CFO                       |
| 7. Mr. Ahmed Hussein        | -CEO Economic Planning     |
| 8. Mr. Omar Hussein Ibrahim | -Municipal Manager         |
| 9. Ms. Ilhan Abass          | -Director Lands            |
| 10. Mr. Harun Gure Hassan   | -KJ/WCRH Accountant        |
| 11. Mr. Harriet Wathika     | -Office Administrator      |
| 12. Mr. Khalif Abey Hussein | -Ass. D/SCM – WCL          |
| 13. Mr. Abdi A. Hassan      | -DSCM                      |
| 14. Mr. Abey A. Sany        | -Office of the Governor    |
| 15. Mr. Abdikadir Mohamed   | -Accountant – Municipality |

**B. OFFICE OF THE AUDITOR GENERAL**

- |                      |                     |
|----------------------|---------------------|
| 1. Mr. Tom Ratemo    | - Principal Auditor |
| 2. Mr. Mark Gachanja | - Liaison Officer   |

**C. THE NATIONAL TREASURY**

Dr. Jackson Ndungo - Deputy Director Audit

**MIN. NO. SEN/CPICSF/43/2025 PRAYER**

The meeting was called to order by the Chairperson at nine twenty-eight O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/44/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Agnes Kavindu Muthama, MP and seconded by Sen. Beth Kalunda Syengo, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Wajir to interrogate Reports of the Auditor-General on the Financial Statements of Wajir Water and Sewerage Company Limited, Wajir County Referral Hospital and Wajir Municipality for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/45/2025 ADMINISTRATION OF OATH OF WITNESS AND TABLING OF DOCUMENTS**

The Governor of Wajir County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of the Wajir Water and

Sewerage Company Limited, Wajir County Referral Hospital and Wajir Municipality for Financial Year 2023/2024.

**MIN. NO. SEN/CPICSF/46/2025 MEETING WITH THE COUNTY EXECUTIVE OF WAJIR TO CONSIDER AUDIT REPORTS OF THE WAJIR WATER AND SEWERAGE COMPANY LIMITED, WAJIR COUNTY REFERRAL HOSPITAL AND WAJIR MUNICIPALITY FOR FINANCIAL YEAR 2023/2024.**

The Committee observed that the County Government had not adequately addressed its interim recommendations given during its meeting with the county in June 2023 when it considered the report of the Auditor-General on the financial statements of Wajir Water and Sewerage company for financial year 2020/2021 and therefore the meeting could not proceed.

The Committee resolved to adjourn the meeting to a later date and directed the Governor to file adequate responses to the said recommendations.

**MIN. NO. SEN/CPICSF/47/2025 ANY OTHER BUSINESS**

There was no other business discussed in the meeting.

**MIN. NO. SEN/CPICSF/48/2025 DATE OF NEXT MEETING & ADJOURNMENT**

The Chairperson adjourned the meeting at ten minutes past ten o'clock in the morning. The next meeting would be on Monday, 17<sup>th</sup> March, 2024 at thirty minutes past eleven o'clock in the morning.



**SIGNED: ..... DATE: .....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE EIGHTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON MONDAY, 17<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 11.30 A.M.

#### PRESENT

- |  |                    |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson      |
| 2. Sen. Eddy Gicheru Oketch, MP        | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP      | - Member           |
| 4. Sen. Peris Pesi Tobiko, CBS, MP     | - Member           |
| 5. Sen. Beth Kalunda Syengo, MP        | - Member           |
| 6. Sen. George Mungai Mbugua, MP       | - Member           |
| 7. Sen. Raphael Chimera Mwinzagu       | - Member           |

#### ABSENT WITH APOLOGY

- |                                  |          |
|----------------------------------|----------|
| 8. Sen. William Kisang' Kipkemoi | - Member |
| 9. Sen. Hamida Ali Kibwana, MP   | - Member |

#### IN ATTENDANCE

- |                    |                   |
|--------------------|-------------------|
| Sen. Joe Nyutu, MP | - Senator Muranga |
|--------------------|-------------------|

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant III |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Ouma   | - Serjeant-at-arms    |

## **IN ATTENDANCE**

### **A. COUNTY GOVERNMENT OF MURANG'A**

1. Gov. Irungu Kanga'ta - Governor
2. Mr. John Kairu -MD Gatanga WSP
3. Mr. Titus Mukuda - Muranga West Water
4. Mr. Lucas Mina -Muranga South
5. Mr. Cyrus Maina -Muranga West Water- Accountant
6. Mr. Alice Kimani -Gatanga Water Accountant
7. Stephen Maina -Finance Officer
8. Bonnet Mugo -Municipal Manager
9. Walter Otundo -Municipal Economist
10. Maureen Muthiri -Corporate Communications
11. Prof. Khalif Mustufa -CECM Finance
12. Bon Nyamu -CO Planning
13. Philemon Kibiru -Chief of Staff
14. Priscillah Njeri -Accountant
15. Hassan A. Abubakran -Chief Estate Officer
16. James Thuku -County Attorney
17. Makara Nyua -Administrator
18. Rockey Njage -Accountant
19. James Chouna -CECM Lands
20. Sule A Joe Rufus -Auditor
21. Purity W. Kimara -Internal Audit Manager
22. Tabitha Watheru Mberitu -Finance Manager
23. Isaac Gichuki -Director – Water Services
24. Epiphanes Kamak -MD – Murang'a West Water & Sanitation
25. Elvis Mugambi -MD – Murang'a South Water & Sanitation
26. Hezron M. Magiro -Chairperson, Gatanga Water
27. Mary Magochi -CECM Water, Murang'a County Government

### **B. OFFICE OF THE AUDITOR GENERAL**

1. Mr. Tom Ratemo - Principal Auditor
2. Mr. Mark Gachanja - Liaison Officer

### **C. THE NATIONAL TREASURY**

Dr. Jackson Ndungo - Deputy Director Audit

**MIN. NO. SEN/CPICSF/49/2025**

**PRAYER**

The meeting was called to order by the Chairperson at nine twenty-eight O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/50/2025**

**ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Agnes Kavindu Muthama, MP and seconded by Sen. Peris Pesi Tobiko, CBS, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Murang'a to interrogate Reports of the Auditor-General on the Financial Statements of Murang'a Water and Sanitation Company Limited, Murang'a South Water and Sanitation Company Limited, Gatanga Community Water Scheme, Kahuti Water and Sanitation Water Company, Gatamathi Water and Sanitation Company and Municipality of Murang'a for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/51/2025**

**ADMINISTRATION OF OATH OF WITNESS  
AND TABLING OF DOCUMENTS**

The Governor of Muranga County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports Murang'a Water and Sanitation Company Limited, Murang'a South Water and Sanitation Company Limited, Gatanga Community Water Scheme, Kahuti Water and Sanitation Water Company, Gatamathi Water and Sanitation Company and Municipality of Murang'a for Financial Year 2023/2024

**MIN. NO. SEN/CPICSF/52/2025**

**MEETING WITH THE COUNTY  
EXECUTIVE OF MURANG'A TO  
INTERROGATE REPORTS OF THE  
AUDITOR-GENERAL ON THE  
FINANCIAL STATEMENTS OF  
MURANG'A WATER AND  
SANITATION COMPANY LIMITED,  
MURANG'A SOUTH WATER AND  
SANITATION COMPANY LIMITED,  
GATANGA COMMUNITY WATER  
SCHEME, KAHUTI WATER AND  
SANITATION WATER COMPANY,  
GATAMATHI WATER AND  
SANITATION COMPANY AND  
MUNICIPALITY OF MURANG'A**

**The Following queries were interrogated in Muranga Municipality-.**

**a. For the Year ended 2023/2024**

<b>REPORT ON FINANCIAL STATEMENTS</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>Accuracy and Presentation of Financial Statements</b>	Casting errors noted in the financials	The Committee directed that the County submits the corresponding journal entries to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025 <b>The query was marked as un-resolved.</b>
<b>Inaccuracies in Property, Plant and Equipment</b>	Assets which include construction of roads amounting to Kshs.138,721,838 not included in the asset register.  Inaccurate inclusion of work in progress in Property, Plant and Equipment.	The Committee directed that the County submits the corresponding journal entries to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025 <b>The query was marked as un-resolved.</b>
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>		
<b>Failure to Maintain a Valuation Roll</b>	The Committee noted that Murang'a Municipality did not maintain a valuation roll.	The Committee directed that the Governor ensures that the valuation roll is put in place before the next audit cycle. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025.  <b>The query was marked as un-resolved.</b>

The Following queries were interrogated in Murang'a Water and Sanitation Company Limited -.

b. For the Year ended 2023/2024

REPORT ON FINANCIAL STATEMENTS		
Audit Query	Concern	Observation and Recommendations
Long Outstanding Trade Receivable Accounts	The Committee noted that there were Long outstanding Debtors of Kshs.122,091,732 for Over 120 days	<p>The Committee directed that the-</p> <ul style="list-style-type: none"> <li>a. Accounting Officer should, within 60 days of the adoption of this report, submit a debtors' schedule to the Auditor-General for verification;</li> <li>b. Accounting Officer should within 60 days of the adoption of this report, submit an approved copy of the Debt Management Policy to the Auditor general for verification. The Auditor-General to verify the policy and submit a status update on the same in the subsequent audit cycle;</li> <li>c. Accounting Officer should, within 60 days of the adoption of this report, put in place recovery measures for the outstanding amount with clear</li> </ul>

		<p>timelines. The Auditor-General should review the implementation of the measures put in place provide a status update on the matter in the subsequent audit cycle; and</p> <p>d. Accounting Officer to undertake a detailed analysis of its long outstanding trade receivables and with the Board's approval, write off the irrecoverable debts in line with the Section 130 (2) (d) of the Public Finance Management (County Governments) Regulations, 2015.</p> <p><b>The query was marked as un-resolved.</b></p>
Failure to Account for Inventory of Water	Value of the volume of water held was not disclosed in the financial statements at the end of the financial year.	<p>The Committee recommended that the Accounting Officer ensures the volume of water held in the company's distribution infrastructure is captured as part of the inventories within the financial statements at the closure of the financial year.</p> <p><b>The query was marked as un-resolved.</b></p>
Long Outstanding Trade and Other Payables	The company's trade and other payables balance included an amount of Kshs.31,111,740 owed to suppliers which had been outstanding for over	<p>The Committee recommended that-</p> <p>i. within 60 days of the adoption of this report,</p>

90 days and Kshs.49,458,717 owed to Tana Water Service Board (TWSB) which remained outstanding since February 2017

the Governor of Murang'a County should engage the relevant suppliers and Tana Water Service Board (TWSB) to agree on a repayment plan for the outstanding payables amounting to Kshs.31,111,740 and Kshs.49,458,717 and file a report on the same with the Auditor-General for verification. The Auditor-General to provide a status update on the matter in the subsequent audit cycle; and

- ii. the County Executive Committee Member in charge of water should continuously monitor the financial performance of the water company in line with section 184 of the Public Finance Management Act, 2012 and report on the same to the County Executive Committee, making recommendations on how the water company can improve its performance.

**The query was marked as un-resolved.**

**EMPHASIS OF MATTER**

**Budgetary Control and Performance**

The company had a revenue shortfall of Kshs. 36,839,515 (11% of the budget) in the year under review.

The management of the company failed to prepare a balanced budget during the financial year under review.

The Committee recommended that-

- i. the Accounting Officer should ensure strict compliance with section 149(2)(h) and (i) of the Public Finance Management Act, Cap. 412A and the standards prescribed by the Public Sector Accounting Standard Board under IPSAS 24 on the presentation of budget information in the financial statements for an entity that prepares their financial statements under the accrual basis of accounting, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply;
- ii. the Accounting Officer should comply with regulation 42(1)(b) of the Public

Finance Management (County Government) Regulations, 2015 on exerting budgetary control measures, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply;

- iii. the Fund management should ensure strict adherence to regulation 31(c) of the Public Finance Management (County Governments) Regulations, 2015 which states that budgeted revenue and expenditure appropriation shall be balanced, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply.

**The query was marked as un-resolved.**

**REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

<p>Non-Adherence to the Law on Staff Ethnic Diversity</p>	<p>94% of the total employees comprised of staff from one dominant ethnic community thus there was no ethnic diversity among the company employees.</p>	<p>The committee recommended that-</p> <ul style="list-style-type: none"> <li>i. the Board and the accounting officer make deliberate efforts to progressively comply with section 65 of the County Governments Act, 2012 which provides that at least thirty percent 30% of the vacant posts at entry level be filled by candidates who are not from the dominant ethnic community; and</li> <li>ii. the Board and the accounting officer to make deliberate efforts progressively in the endeavour to comply with Section 7 (1) and (2) of the National Cohesion and Integrity Act, 2008, which requires that public establishments shall seek to represent the diversity of the people of Kenya in employment of staff.</li> </ul> <p><b>The query was marked as un-resolved.</b></p>
<p>Non-Adherence to one-third Basic Salary Rule</p>	<p>an average of 50 employees per month were drawing net salary of less than one third of their basic salary</p>	<p>The Committee recommended that the Company adheres with the provisions of to</p>

	contrary to section 19(3) of the Employment Act, 2007.	<p>Section 19(3) of the Employment Act, Cap.226 which stipulates that the total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of the basic pay, failure to which the provisions of section 87 of the Employment Act on penalties for offences shall apply.</p> <p><b>The query was marked as un-resolved.</b></p>
High wage Bill	The Committee observed that the company's personnel costs represented 52% of the company's annual expenditure, exceeding the 35% ratio recommended by Water Services Regulatory Board (WASREB).	<p>The Committee recommended that the Company adheres with the provisions of regulation 25(1) of the Public Finance management (County Government) Regulations, 2015 which limits the wage bill to thirty-five percent (35%) of the total revenue and establish a lean staff complement, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply.</p> <p><b>The query was marked as un-resolved.</b></p>
High Non-Revenue Water Levels	The Committee observed that the company's non-revenue water was at 36% which was 11% above the sector benchmark of 25% as set out in WASREB guidelines	<p>The Committee recommended that-</p> <ul style="list-style-type: none"> <li>i. the Accounting Officer should put in place comprehensive</li> </ul>

		<p>measures to mitigate on the Non-Revenue Water, that is, both physical and commercial losses. The measures to include replacement of old age dilapidated infrastructure, installation of smart meters for accurate billing and the application of Geographical Information System (GIS) to receive real-time data for the detection of bursts and leakages among other measures. The Auditor-General to review the implementation of the measures put in place to mitigate the Non-Revenue Water and provide a status update on the matter in the subsequent audit cycle;</p> <p>ii. given the impact of Non-Revenue Water on the water company's cashflows, the Accounting Officer should ensure that a provision for Non-Revenue Water is included in the financial statements. Further, explanatory notes should be provided to detail the contributions of both</p>
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		<p>commercial and physical loss factors to the overall Non-Revenue Water; and</p> <p>iii. the County Government to collaborate with the Ethics and Anti-Corruption Commission to ensure pre-emptive measures are put place to reduce cases of theft and illegal connections.</p> <p><b>The query was marked as un-resolved.</b></p>
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**REPORT ON FINANCIAL STATEMENTS**

<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<p><b>Long Outstanding Trade Receivable Accounts</b></p>	<p>Long outstanding Debtors of Kshs.122,091,732 for Over 120 days</p>	<p>The Committee directed that the-</p> <ul style="list-style-type: none"> <li>a. Accounting Officer should, within 60 days of the adoption of this report, submit a debtors' schedule to the Auditor-General for verification;</li> <li>b. Accounting Officer should within 60 days of the adoption of this report, submit an approved copy of the Debt Management Policy to the</li> </ul>

		<p>Auditor general for verification. The Auditor-General to verify the policy and submit a status update on the same in the subsequent audit cycle;</p> <p>c. Accounting Officer should, within 60 days of the adoption of this report, put in place recovery measures for the outstanding amount with clear timelines. The Auditor-General should review the implementation of the measures put in place provide a status update on the matter in the subsequent audit cycle; and</p> <p>d. Accounting Officer to undertake a detailed analysis of its long outstanding trade receivables and with the Board's approval, write off the irrecoverable debts in line with the Section 130 (2) (d) of the Public Finance Management (County Governments) Regulations, 2015.</p> <p><b>The query was marked as</b></p>
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		<b>un-resolved.</b>
Failure to Account for Inventory of Water	the value of the volume of water held was not disclosed in the financial statements at the end of the financial year.	The Committee recommends that the Accounting Officer ensures the volume of water held in the company's distribution infrastructure is captured as part of the inventories within the financial statements at the closure of the financial year.  <b>The query was marked as un-resolved.</b>
Long Outstanding Trade and Other Payables	the company's trade and other payables balance included an amount of Kshs.31,111,740 owed to suppliers which had been outstanding for over 90 days and Kshs.49,458,717 owed to Tana Water Service Board (TWSB) which remained outstanding since February 2017	The Committee recommended that-  iii. within 60 days of the adoption of this report, the Governor of Murang'a County should engage the relevant suppliers and Tana Water Service Board (TWSB) to agree on a repayment plan for the outstanding payables amounting to Kshs.31,111,740 and Kshs.49,458,717 and file a report on the same with the Auditor-General for verification. The Auditor-General to provide a status update on the matter in the subsequent audit cycle; and  iv. the County Executive Committee Member in charge of water should continuously monitor

		<p>the financial performance of the water company in line with section 184 of the Public Finance Management Act, 2012 and report on the same to the County Executive Committee, making recommendations on how the water company can improve its performance.</p> <p><b>The query was marked as un-resolved.</b></p>
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**EMPHASIS OF MATTER**

<p><b>Budgetary Control and Performance</b></p>	<p>i. The company had a revenue shortfall of Kshs. 36,839,515 (11% of the budget) in the year under review; and</p> <p>ii. The management of the company failed to prepare a balanced budget during the financial year under review.</p>	<p>The Committee recommended that-</p> <p>iv. the Accounting Officer should ensure strict compliance with section 149(2)(h) and (i) of the Public Finance Management Act, Cap. 412A and the standards prescribed by the Public Sector Accounting Standard Board under IPSAS 24 on the presentation of budget information in the financial statements for an entity that prepares</p>
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		<p>their financial statements under the accrual basis of accounting, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply;</p> <p>v. the Accounting Officer should comply with regulation 42(1)(b) of the Public Finance Management (County Government) Regulations, 2015 on exerting budgetary control measures, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply;</p> <p>vi. the Fund management should ensure strict adherence to regulation 31(c) of the Public Finance Management (County Governments) Regulations, 2015</p>
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		<p>which states that budgeted revenue and expenditure appropriation shall be balanced, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply.</p> <p><b>The query was marked as un-resolved.</b></p>
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**REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

<p>Non-Adherence to the Law on Staff Ethnic Diversity</p>	<p>94% of the total employees comprised of staff from one dominant ethnic community thus there was no ethnic diversity among the company employees.</p>	<p>The committee recommended that-</p> <ul style="list-style-type: none"> <li>iii. the Board and the accounting officer make deliberate efforts to progressively comply with section 65 of the County Governments Act, 2012 which provides that at least thirty percent 30% of the vacant posts at entry level be filled by candidates who are not from the dominant ethnic community; and</li> <li>iv. the Board and the accounting officer to make deliberate efforts progressively in the endeavour to comply with Section 7 (1) and (2) of the National</li> </ul>
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		<p>Cohesion and Integrity Act, 2008, which requires that public establishments shall seek to represent the diversity of the people of Kenya in employment of staff.</p> <p><b>The query was marked as un-resolved.</b></p>
Non-Adherence to one-third Basic Salary Rule	50 employees per month were drawing net salary of less than one third of their basic salary contrary to section 19(3) of the Employment Act, 2007.	<p>The Committee recommended that the Company adheres with the provisions of to Section 19(3) of the Employment Act, Cap.226 which stipulates that the total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of the basic pay, failure to which the provisions of section 87 of the Employment Act on penalties for offences shall apply.</p> <p><b>The query was marked as un-resolved.</b></p>
High wage Bill	the company's personnel costs represented 52% of the company's annual expenditure, exceeding the 35% ratio recommended by Water Services Regulatory Board (WASREB).	<p>The Committee recommended that the Company adheres with the provisions of regulation 25(1) of the Public Finance management (County Government) Regulations, 2015 which limits the wage bill to thirty-five percent</p>

		<p>(35%) of the total revenue and establish a lean staff complement, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply.</p> <p><b>The query was marked as un-resolved.</b></p>
<p>High Non-Revenue Water Levels</p>	<p>the company's non-revenue water was at 36% which was 11% above the sector benchmark of 25% as set out in WASREB guidelines</p>	<p>The Committee recommended that-</p> <p>iv. the Accounting Officer should put in place comprehensive measures to mitigate on the Non-Revenue Water, that is, both physical and commercial losses. The measures to include replacement of old age dilapidated infrastructure, installation of smart meters for accurate billing and the application of Geographical Information System (GIS) to receive real-time data for the detection of bursts and leakages among other measures. The Auditor-General to review the implementation of the measures put in place to mitigate the Non-Revenue Water and provide a status update</p>

		<p>on the matter in the subsequent audit cycle;</p> <p>v. given the impact of Non-Revenue Water on the water company's cashflows, the Accounting Officer should ensure that a provision for Non-Revenue Water is included in the financial statements. Further, explanatory notes should be provided to detail the contributions of both commercial and physical loss factors to the overall Non-Revenue Water; and</p> <p>vi. the County Government to collaborate with the Ethics and Anti-Corruption Commission to ensure pre-emptive measures are put place to reduce cases of theft and illegal connections.</p> <p><b>The query was marked as un-resolved.</b></p>
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**The Following queries were interrogated in Murang'a South Water and Sanitation Company Limited**

<b>REPORT ON FINANCIAL STATEMENTS</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>

<p>Material Uncertainty in Relation to Going Concern</p>	<p>the water company operated with a negative working capital of Kshs. 100,138,775 during the financial year under review, casting doubt on the company's ability to meet its obligations as and when they fall due.</p>	<p>The Committee recommended that-</p> <ul style="list-style-type: none"> <li>i. the Accounting Officer should put in place comprehensive measures to mitigate on the Non-Revenue Water, that is, both physical and commercial losses. The measures to include replacement of old age dilapidated infrastructure, installation of smart meters for accurate billing and the application of Geographical Information System (GIS) to receive real-time data for the detection of bursts and leakages among other measures. The Auditor-General to review the implementation of the measures put in place to mitigate the Non-Revenue Water and provide a status update on the matter in the subsequent audit cycle;</li> <li>ii. given the impact of Non-Revenue Water on the water company's cashflows, the Accounting Officer should ensure that a provision for Non-Revenue Water is included in the</li> </ul>
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		<p>financial statements. Further, explanatory notes should be provided to detail the contributions of both commercial and physical loss factors to the overall Non-Revenue Water; and</p> <p>iii. the County Government to collaborate with the Ethics and Anti-Corruption Commission to ensure pre-emptive measures are put place to reduce cases of theft and illegal connections.</p> <p>The query was marked as unresolved.</p>
<p>Long Outstanding Trade Receivables</p>	<p>the company's trade and other receivables balance included an amount of Kshs 65,351,081 which remained outstanding for more than 180 days.</p>	<p>The Committee recommended that-</p> <ol style="list-style-type: none"> <li>i. the Accounting Officer should, within 60 days of the adoption of this report, submit a debtors' schedule to the Auditor-General for verification;</li> <li>ii. the Accounting Officer should within 60 days of the adoption of this report, submit an approved copy of the Debt Management Policy to the Auditor general for verification. The Auditor-General to</li> </ol>

		<p>verify the policy and submit a status update on the same in the subsequent audit cycle;</p> <p>iii. the Accounting Officer should, within 60 days of the adoption of this report, put in place recovery measures for the outstanding amount with clear timelines. The Auditor-General should review the implementation of the measures put in place provide a status update on the matter in the subsequent audit cycle; and</p> <p>iv. The Accounting Officer to undertake a detailed analysis of its long outstanding trade receivables and with the Board's approval, write off the irrecoverable debts in line with the Section 130 (2) (d) of the Public Finance Management (County Governments) Regulations, 2015.</p> <p>The query was marked as unresolved.</p>
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**REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

<p><b>1. High level of Non-Revenue Water (NRW)</b></p>	<p>the company's non-revenue water was at 40.3% which was 15.3% above the sector benchmark of 25% as set out in WASREB guidelines.</p>	<p>The Committee recommended that-</p> <p>i. the Accounting Officer should put in place</p>
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		<p>comprehensive measures to mitigate on the Non-Revenue Water, that is, both physical and commercial losses. The measures to include replacement of old age dilapidated infrastructure, installation of smart meters for accurate billing and the application of Geographical Information System (GIS) to receive real-time data for the detection of bursts and leakages among other measures. The Auditor-General to review the implementation of the measures put in place to mitigate the Non-Revenue Water and provide a status update on the matter in the subsequent audit cycle;</p> <p>ii. given the impact of Non-Revenue Water on the water company's cashflows, the Accounting Officer should ensure that a provision for Non-Revenue Water is included in the financial statements. Further, explanatory notes should be provided to detail the</p>
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		<p>contributions of both commercial and physical loss factors to the overall Non-Revenue Water; and</p> <p>iii. the County Government to collaborate with the Ethics and Anti-Corruption Commission to ensure pre-emptive measures are put place to reduce cases of theft and illegal connections.</p> <p>The query was marked as unresolved.</p>
<p>Personnel Costs in Excess of the Recommended Threshold</p>	<p>the water company spent Kshs. 125,445,624 (44% of the total expenditure) on staff costs contrary to section 25 (1)(a) and (b) of the Public Finance Management (County Government) Regulations, 2015 which limits the personnel expenditure to 35% of total operating expenditure.</p>	<p>The Committee recommended that—</p> <p>i. the Company adheres with the provisions of regulation 25(1) of the Public Finance management (County Government) Regulations, 2015 which limits the wage bill to thirty-five percent (35%) of the total revenue and establish a lean staff complement; and</p> <p>ii. the Auditor-General to provide a status update on the matter during the subsequent audit</p>

		<p>cycle to ascertain whether the measures enumerated have addressed the concern.</p> <p><b>The query was marked as un-resolved.</b></p>
<p>Non-compliance with the Law on Ethnic Composition</p>	<p>95% of the total employees comprised of staff from one dominant ethnic community thus there was no ethnic diversity among the company employees.</p>	<p><b>The committee recommended that—</b></p> <ul style="list-style-type: none"> <li>i. The Board and the accounting officer make deliberate efforts to progressively comply with section 65 of the County Governments Act, 2012 which provides that at least thirty percent 30% of the vacant posts at entry level be filled by candidates who are not from the dominant ethnic community; and</li> <li>ii. The Board and the accounting officer to make deliberate efforts progressively in the endeavor to comply with Section 7 (1) and (2) of the National Cohesion and Integrity Act, 2008, which requires that public establishments shall seek to represent the diversity of the people of Kenya in</li> </ul>

		<p>employment of staff.</p> <p>The query was marked as un-resolved.</p>
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**REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

<p><b>Non implementation of Audit recommendations</b></p>	<p>the water company had unresolved prior year matters demonstrating the management's lack of action to implement corrective measures.</p>	<p>The Committee recommended that</p> <ul style="list-style-type: none"> <li>i. the Accounting Officer should resolve any issues resulting from an audit that remains outstanding as required by section 149(2)(1) of the Public Finance Management Act, Cap. 412A, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences may apply; and</li> <li>ii. the Auditor-General provides a status update on the progress made on the matter in the subsequent audit cycle upon review of the progress report.</li> </ul> <p>The query was marked as un-resolved.</p>
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### **Interventions and Directive**

- a. The Committee observed that the ownership of Murang'a South Water and Sanitation Company Limited was yet to be transferred to the County Government from the Ministry of Water Irrigation and Sanitation despite the existence of an MOU between the two afore-mentioned entities that provided for the transfer within 3 months of its signing. The Committee resolved to write to the Ministry of Water requesting for the status of the same upon which the Committee shall give a way forward;
- b. The Committee noted discrepancies in inaccuracy and mis-representation of financial statements; Inaccuracy in property, plant and equipment; and Budgetary control and performance alluding to capacity challenges in finance and accounting department. The Committee further noted that the amendments to the financial statements had since been done but were yet to be verified by the Auditor General since they were done after the signing of the financial statements. The Committee directed that the County submits the corresponding journal entries to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025; and
- c. The Committee noted marginal improvement of the non-revenue water however, the same was still above the sector benchmark of 25%. The Committee therefore directed the County to put comprehensive measures to address the same and submit evidence of the measures to the Auditor General for monitoring. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025.

**MIN. NO. SEN/CPICSF/53/2025      ANY OTHER BUSINESS**

There was no other business discussed in the meeting.

**MIN. NO. SEN/CPICSF/54/2025      DATE OF NEXT MEETING &  
ADJOURNMENT**

The Chairperson adjourned the meeting at thirty minutes past two'clock in the afternoon. The next meeting would be on Monday, 17<sup>th</sup> March, 2024 at three o'clock in the afternoon.



**SIGNED:** ..... **DATE:** .....26.3.2025.....

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE SEVENTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON MONDAY, 17<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 9.00 A.M.

#### PRESENT

- |  |                    |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson      |
| 2. Sen. Eddy Gicheru Oketch, MP        | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP      | - Member           |
| 4. Sen. Peris Pesi Tobiko, CBS, MP     | - Member           |
| 5. Sen. Beth Kalunda Syengo, MP        | - Member           |
| 6. Sen. George Mungai Mbugua, MP       | - Member           |
| 7. Sen. Raphael Chimera Mwinzagu       | - Member           |

#### ABSENT WITH APOLOGY

- |                                  |          |
|----------------------------------|----------|
| 8. Sen. William Kisang' Kipkemoi | - Member |
| 9. Sen. Hamida Ali Kibwana, MP   | - Member |

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant III |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Ouma   | - Serjeant-at-arms    |

#### IN ATTENDANCE

##### A. COUNTY GOVERNMENT OF WAJIR

- |                         |              |
|-------------------------|--------------|
| 1. FCPA Ahmed Abdullahi | -Governor    |
| 2. CPA Mohamed Hassan   | -CEC Finance |
| 3. Dr. Dahir Somow      | -CEO WCRH    |

- |                             |                            |
|-----------------------------|----------------------------|
| 4. Mr.Noble Ahmed           | -MD NASWHCO                |
| 5. Mr. Mohamed A. Guhaad    | -CCO Medical Services      |
| 6. Mr. John Maina           | -CFO                       |
| 7. Mr. Ahmed Hussein        | -CEO Economic Planning     |
| 8. Mr. Omar Hussein Ibrahim | -Municipal Manager         |
| 9. Ms. Ilhan Abass          | -Director Lands            |
| 10. Mr. Harun Gure Hassan   | -KJ/WCRH Accountant        |
| 11. Mr. Harriet Wathika     | -Office Administrator      |
| 12. Mr. Khalif Abey Hussein | -Ass. D/SCM – WCL          |
| 13. Mr. Abdi A. Hassan      | -DSCM                      |
| 14. Mr. Abey A. Sany        | -Office of the Governor    |
| 15. Mr. Abdikadir Mohamed   | -Accountant – Municipality |

**B. OFFICE OF THE AUDITOR GENERAL**

- |                      |                     |
|----------------------|---------------------|
| 1. Mr. Tom Ratemo    | - Principal Auditor |
| 2. Mr. Mark Gachanja | - Liaison Officer   |

**C. THE NATIONAL TREASURY**

Dr. Jackson Ndungo - Deputy Director Audit

**MIN. NO. SEN/CPICSF/43/2025 PRAYER**

The meeting was called to order by the Chairperson at nine twenty-eight O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/44/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Agnes Kavindu Muthama, MP and seconded by Sen. Beth Kalunda Syengo, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Wajir to interrogate Reports of the Auditor-General on the Financial Statements of Wajir Water and Sewerage Company Limited, Wajir County Referral Hospital and Wajir Municipality for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/45/2025 ADMINISTRATION OF OATH OF WITNESS AND TABLING OF DOCUMENTS**

The Governor of Wajir County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of the Wajir Water and

Sewerage Company Limited, Wajir County Referral Hospital and Wajir Municipality for Financial Year 2023/2024.

**MIN. NO. SEN/CPICSF/46/2025 MEETING WITH THE COUNTY EXECUTIVE OF WAJIR TO CONSIDER AUDIT REPORTS OF THE WAJIR WATER AND SEWERAGE COMPANY LIMITED, WAJIR COUNTY REFERRAL HOSPITAL AND WAJIR MUNICIPALITY FOR FINANCIAL YEAR 2023/2024.**

The Committee observed that the County Government had not adequately addressed its interim recommendations given during its meeting with the county in June 2023 when it considered the report of the Auditor-General on the financial statements of Wajir Water and Sewerage company for financial year 2020/2021 and therefore the meeting could not proceed.

The Committee resolved to adjourn the meeting to a later date and directed the Governor to file adequate responses to the said recommendations.

**MIN. NO. SEN/CPICSF/47/2025 ANY OTHER BUSINESS**

There was no other business discussed in the meeting.

**MIN. NO. SEN/CPICSF/48/2025 DATE OF NEXT MEETING & ADJOURNMENT**

The Chairperson adjourned the meeting at ten minutes past ten o'clock in the morning. The next meeting would be on Monday, 17<sup>th</sup> March, 2024 at thirty minutes past eleven o'clock in the morning.



**SIGNED: ..... DATE: .....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE NINTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON MONDAY, 17<sup>TH</sup> MARCH, 2025 AT COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 3.00 P.M.

#### PRESENT

- |  |                    |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson      |
| 2. Sen. Eddy Gicheru Oketch, MP        | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP      | - Member           |
| 4. Sen. Beth Kalunda Syengo, MP        | - Member           |
| 5. Sen. Peris Pesi Tobiko, CBS, MP     | - Member           |
| 6. Sen. George Mungai Mbugua, MP       | - Member           |
| 7. Sen. Raphael Chimera Mwinzangu, MP  | - Member           |

#### ABSENT WITH APOLOGY

- |                                     |          |
|-------------------------------------|----------|
| 1. Sen. William Kipkemoi Kisang, MP | - Member |
| 2. Sen. Hamida Ali Kibwana, MP      | - Member |

#### IN ATTENDANCE

- |                                     |                          |
|-------------------------------------|--------------------------|
| Sen. Daniel Kitonga Maanzo, EBS, MP | - Senator Makueni County |
|-------------------------------------|--------------------------|

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant II  |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Mr. Raisa Mwithi    | - Research Officer    |
| 8. Mr. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Okola  | - Serjeant-at-arms    |

#### IN ATTENDANCE

##### A. COUNTY GOVERNMENT OF TAITA TAVETA

- |                            |                |
|----------------------------|----------------|
| 1. Hon. Mutala Kilonzo Jnr | - Governor     |
| 2. Ms. Damaris M. Kavoi    | - CECM-Finance |
| 3. Mr. Maku David M.       | - CO-Water     |

- |                         |                             |
|-------------------------|-----------------------------|
| 4. Ms. Evelyn Mutua     | - Municipal Manager         |
| 5. Mr. John Nguni       | - Co-Financial Services     |
| 6. Mr. Onesmus Nzioka   | - Communication Officer     |
| 7. Ms. Carolyne Vita    | - Asst. Director Governance |
| 8. Mr. Mutwii Titus     | - MD-MBONWASCO              |
| 9. Mr. Francis Muendo   | - FM KIBMASCO               |
| 10. Ms. Silvia Mbevi    | - Asst. Director FAS        |
| 11. Mr. Johnson Musembi | - Internal Auditor          |
| 12. Mr. David Maingi    | - Finance Manager WOWASCO   |
| 13. Mr. Justus Kuti     | - MD-WOWASCO                |

**B. OFFICE OF THE AUDITOR GENERAL**

- |                      |                     |
|----------------------|---------------------|
| 1. Mr. Onesmus Mugo  | - Principal Auditor |
| 2. Mr. Alvine Bitok  | - Senior Auditor    |
| 3. Mr. Mark Gachanja | - Liaison Officer   |

**MIN. NO. SEN/CPICSF/55/2025 PRAYER**

The meeting was called to order by the Chairperson at twenty-three minutes past three O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/56/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Eddy Gicheru Oketch, MP and seconded by Sen. Agnes Kavindu, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Makueni to interrogate Reports of the Auditor-General on the Financial Statements of Wote Water and Sewerage Company Limited, Mbooni Water and Sanitation Company Limited, Kibwezi Makindu Water and Sanitation Company Limited and Wote Municipality for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/57/2025 ADMINISTRATION OF OATH OF WITNESS AND TABLING OF DOCUMENTS**

The Governor of Makueni County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of Wote Water and Sewerage Company Limited, Mbooni Water and Sanitation Company Limited, Kibwezi Makindu Water and Sanitation Company Limited and Wote Municipality for Financial Year 2023/2024.

**MEETING WITH THE COUNTY EXECUTIVE OF MAKUENI TO INTERROGATE REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF WOTE WATER AND SEWERAGE COMPANY LIMITED, MBOONI WATER AND SANITATION COMPANY LIMITED, KIBWEZI MAKINDU WATER AND SANITATION COMPANY LIMITED AND WOTE MUNICIPALITY FOR FINANCIAL YEAR 2023/2024**

The following queries were interrogated in the Municipality of Wote

REPORT ON THE FINANCIAL STATEMENTS		
Audit Query	Concern	Observation and Recommendations
<p><b>1. Unsupported Expenditure</b>  <b>1.1. Valuation of Assets</b></p>	<p>Signed valuation report in support of allowances totalling to Kshs. 1,596,700 in respect to valuation of assets for the Makueni Fruit Development Management Authority and Integrated Grain Value Addition Plan was not provided for audit review.</p>	<p>The Committee observed that the signed valuation report had not been provided by the valuer due to an outstanding payment.</p> <p>The Committee further observed that the County Government had made a provision for the outstanding payment in its upcoming supplementary budget and the Committee directed the Governor to ensure that the payment was done and the valuation report obtained and submitted to the Auditor-General for verification.</p> <p>The Auditor-General to provide a status update in the subsequent audit cycle.</p> <p><b>The query remains unresolved.</b></p>
<p><b>2. Engagement of Casuals</b></p>	<p>Casual wages amounting to Kshs. 17,807,377 were not supported by documents on need assessment to determine the number of casual workers that were to be engaged for cleaning services and approval by the County Public Service.</p>	<p>The Committee Observed that the approved need assessment report was submitted albeit outside the timelines contemplated under the Public Audit Act. However, the document lacked clarity on whether the casuals required were skilled or unskilled.</p> <p><b>The query remains unresolved.</b></p>
<p><b>3. Failure to open a bank account</b></p>	<p>The Municipality had not opened and operated bank account in its name.</p>	<p>The committee observed that the matter was linked to lack of independence of the municipality and directed the Governor to ensure that the Municipality is granted operational independence in accordance with section 169-181 of the Public Finance Management</p>

		Act as read together with section 12, 20, 45 and 46 of the Urban Areas and Cities Act.  <b>The query remains unresolved.</b>
<b>4. Failure to Prepare Financial Statements</b>	the municipality did not prepare financial statements for two financial years from 2021/2022 to 2022/2023	The Committee observed that this contravenes the requirements of section 164(3) of the Public Finance Management Act, 2012 and directed the Board and the Accounting Officer to ensure compliance with the provision of the Act failure to which provisions of section 199 of the Public Finance Management Act on penalties for offenses shall apply.  <b>The query remains unresolved</b>

**The Following queries were interrogated in the Report of Mbooni Water Sanitation Company Limited**

<b>REPORT ON THE CHIEF MATTER</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>1. Unconfirmed Customer Deposits Balance</b>	Note 25 to the financial statement reflect customer deposits balance of Kshs 5,673,850 which at variance with the cashbook reconciled amount of Kshs 2,000,372, resulting in unexplained variance of Kshs. 3,673,478. Management indicated that the money was utilized to finance its operations, management did not provide any strategy on how they will meet their obligation in the event customers demand for their deposits.	The Committee observed that the water company irregularly borrowed money from the customer deposits to fund its operations but the same was yet to be repaid. The Committee directed that the Governor to ensure that the money is refunded within one year from the date of the meeting and provide evidence of the same to the Auditor-General for verification. Auditor-General to provide a status update on compliance in the subsequent audit cycle.  The Committee directed the Accounting Officer to reconcile the deposits statements is done within 7 days from the date of the meeting and provide evidence of the same to the Auditor-General for verification. Auditor-General to provide a status update in the subsequent audit cycle.  Further, the Committee directed that the Accounting Officer should comply with section 142 of the Public Finance Management Act while borrowing customer deposits

		<b>The query remains unresolved.</b>
<b>2. Material Uncertainty in relation to Going Concern</b>	<p>Current liabilities totaling Kshs 31,663,440 exceeded current assets of Kshs 18,741,057 resulting in a negative working capital of Kshs 12,922,383 which may be an indication of the company's inability to settle its obligations as and when they fall due.</p>	<p>The Committee observed that water company had negative working capital of Kshs 12,922,383.</p> <p>The Committee directed the Governor to ensure that the water company puts in place comprehensive measures to improve the financial health of the water company and submit a copy of the same to the Auditor-General for verification.</p> <p>The Auditor-General to provide a status update on the effectiveness of the instituted measures in the subsequent audit cycle.</p> <p><b>The query remains unresolved</b></p>

### Interventions and Directives

The committee gave the following general directives-

- a. The Committee noted there was an outstanding valuation fee of Kes.850,000 by the Municipality on unexplained expenditure on valuation of assets which the Governor informed the Committee that the same would be settled within 30 days of passing the supplementary budget. The Committee directed the Governor to ensure that the outstanding valuation fee note is paid and subsequently acquire the valuation report and submit the same to the Auditor General for verification. The Auditor General to provide the status update of the same in the next audit cycle;
- b. The Committee noted the water companies had registered high non-revenue water above the sector benchmark of 25% as per WASREB guidelines and recommended benchmarking with neighbouring counties to adapt best practises. The Committee therefore directed the County to put comprehensive measures to address the same and submit evidence of the measures to the Auditor General for monitoring. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025.
- c. On the matter of engagement of casuals, the Committee noted that the Municipality had provided need assessment report albeit with lack of clarity on whether the gap to be addressed was for skilled or casual workers. The Committee also noted that minutes where the resolutions were made were not presented. To provide clarity, the Committee directed that the County provides the Minutes within 7 days to the Auditor General for verification. The Auditor General to provide the status update of the same in the next audit cycle.

d. The Committee observed that the Municipality did not have an operations bank account, an indication of lack of autonomy. The Committee therefore directed the Governor to ensure that the Municipality has an operational bank account within 7 days and to further ensure that the Municipality is granted full autonomy in line with the provisions of sections 169-181 of the Public Finance Management Act as read together with sections 12, 20, 45 and 46 of the Urban Areas and Cities Act. The Auditor-General to monitor compliance and provide a status update in the subsequent audit cycle.

**MIN. NO. SEN/CPICSF/59/2025      ANY OTHER BUSINESS**

There was no any other business.

**MIN. NO. SEN/CPICSF/60/2025      DATE OF NEXT MEETING &  
ADJOURNMENT**

The Chairperson adjourned the meeting at nine minutes to six o'clock in the evening. The next meeting would be on Tuesday, 18<sup>th</sup> March, 2025.



**SIGNED: ..... DATE: .....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**



### 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

#### MINUTES OF THE TENTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON MONDAY, 18<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 8.30 A.M.

#### PRESENT

- |  |                    |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson      |
| 2. Sen. Eddy Gicheru Oketch, MP        | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP      | - Member           |
| 4. Sen. Peris Pesi Tobiko, CBS, MP     | - Member           |
| 5. Sen. Beth Kalunda Syengo, MP        | - Member           |
| 6. Sen. George Mungai Mbugua, MP       | - Member           |
| 7. Sen. Raphael Chimera Mwinzagu       | - Member           |
| 8. Sen. Hamida Ali Kibwana, MP         | - Member           |

#### ABSENT WITH APOLOGY

- |                                  |          |
|----------------------------------|----------|
| 9. Sen. William Kisang' Kipkemoi | - Member |
|----------------------------------|----------|

#### IN ATTENDANCE

Sen. Joseph Kamau Githuku, MP

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant III |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Ouma   | - Serjeant-at-arms    |

## **IN ATTENDANCE**

### **A. COUNTY GOVERNMENT OF LAMU**

- |                                |  |
|--------------------------------|--|
| 1. Issa A. Timamy              | -Governor                                |
| 2. Dr. Mbarak Mohamed Mbarak   | -CECM Health Services                    |
| 3. Eng. Nyagah A. Hagich       | -Managing Director, Water and Sanitation |
| 4. Abdulrashidanda Abdalla Ali | -Manager Municipality                    |
| 5. Amb. Ali Abbas              | -County Secretary                        |
| 6. Tashrifa Mohamed            | -CECM Lands                              |
| 7. Mohamed Nbanaga Ali         | -CECM Finance                            |
| 8. Mohamed Nubes               | -DAS                                     |
| 9. Ali Sugumbo                 | -Accountant                              |
| 10. Victor Toic                | -Chief Officer, Medical Services         |
| 11. Salim Ouma                 | -Chief Officer                           |
| 12. Luthlum Heite              | -Director, Legal Affairs                 |
| 13. Agnes M. Muliquali         | -Accountant, Lands                       |
| 14. Najma Ali                  | -Accountant I                            |
| 15. Twahir A. Issa             | -W. Technician                           |
| 16. Ahmed Mohamed Kombo        | -Principal Administrator                 |

### **B. OFFICE OF THE AUDITOR GENERAL**

- |                      |                     |
|----------------------|---------------------|
| 1. Mr. Tom Ratemo    | - Principal Auditor |
| 2. Mr. Mark Gachanja | - Liaison Officer   |

### **C. THE NATIONAL TREASURY**

Dr. Jackson Ndungo - Deputy Director Audit

## **MIN. NO. SEN/CPICSF/6 1/2025 PRAYER**

The meeting was called to order by the Chairperson at thirty minutes past nine O'clock followed by a word of prayer.

## **MIN. NO. SEN/CPICSF/62/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Hamida Ali Kibwana, MP and seconded by Sen. Beth Kalunda Syengo, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;

4. Meeting with the County Executive of Lamu to interrogate Reports of the Auditor-General on the Financial Statements of Lamu Water and Sewerage Company Limited, Lamu Municipality and Lamu County Referral Hospital for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment

**MIN. NO. SEN/CPICSF/63/2025**

**ADMINISTRATION OF OATH OF WITNESS  
AND TABLING OF DOCUMENTS**

The Governor of Lamu County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports Lamu Water and Sewerage Company Limited, Lamu Municipality and Lamu County Referral Hospital for Financial Year 2023/2024;

**MIN. NO. SEN/CPICSF/64/2025**

**MEETING WITH THE COUNTY  
EXECUTIVE OF LAMU TO  
INTERROGATE REPORTS OF THE  
AUDITOR-GENERAL ON THE  
FINANCIAL STATEMENTS OF LAMU  
WATER AND SEWERAGE COMPANY  
LIMITED, LAMU MUNICIPALITY  
AND LAMU COUNTY REFERRAL  
HOSPITAL FOR FINANCIAL YEAR  
2023/2024.**

**The Following queries were interrogated in Lamu Municipality-.**

**a. For the Year ended 2023/2024**

Audit Query	Concern	Observation and Recommendations
<b>EMPHASIS ON MATTER</b>		
<b>Budgetary Control and Performance</b>	The Committee observed that the Municipality failed to absorb Kshs.2,586,951 or 47% of its budget during the financial year under review.	The Committee recommended that the Accounting Officer should comply with regulation 42(1)(b) of the Public Finance Management (County Government) Regulations, 2015 on exerting

		<p>budgetary control measures, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply.</p> <p><b>The query was marked as un-resolved.</b></p>
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**REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

<p><b>Lack of Operational Independence of the Municipality</b></p>	<p>the operations of the Municipality lacked autonomy</p>	<p>The Committee recommended that-</p> <ul style="list-style-type: none"> <li>i. the Governor of Lamu County takes immediate steps to operationalise the Municipality to achieve its intended purpose and further ensure it has opened a separate bank account by the end of the Financial Year 2023/2024; and</li> <li>ii. the Governor of Lamu County ensures that operational independence within the Municipality of Lamu is fully actualized within 4 months .</li> </ul> <p><b>The query was marked as un-resolved.</b></p>
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<p><b>Irregular Contract for Zoning Standards, Regulations and Guidelines</b></p>	<p>Zoning contract of Kshs.2,961,525 issued after 31 May without specific approval of the Accounting Officer.</p>	<p>The Committee recommended that-</p> <ul style="list-style-type: none"> <li>i. the Accounting</li> </ul>
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	<p>Zoning report approved by county executive not forwarded to County Assembly for consideration and approval.</p>	<p>Officer should ensure timely submission of documents during the audit process in line with section 9(1)(e) of the Public Audit Act, Cap.412B failure to which the Committee shall recommend for their investigation and prosecution in accordance with section 62(2) of the Public Audit Act in the subsequent audit cycle; and</p> <p>ii. the Governor of Lamu County engages the County Assembly to fast-track the approval process of the zoning standards, regulations and guidelines within sixty (60) days of the adoption of this report.</p>
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The Following queries were interrogated in Lamu Water and Sanitation Company Limited

REPORT ON FINANCIAL STATEMENTS		
<p><b>Inaccuracies in the Financial Statements</b></p>	<p>numerous errors within the financial statements which were yet to be corrected.</p>	<p>The Committee recommends that— the Accounting Officer to take</p>

The management attributed these errors to the use of manual accounting procedures.

appropriate administrative action on responsible officers within the Accounts and Finance department who fail to keep complete financial records in accordance with section 156(1) of the Public Finance Management Act, Cap.412A and in line with their terms and conditions of appointment or employment, failure to which the provisions of section 199 of the Public Finance Management Act, Cap.412A on penalties for offences shall apply;

- i. the Accounting Officer should comply with section 149(2)(b) of the Public Finance Management Act, Cap.412A and section 47(2) of Public Audit Act, Cap.412B in the preparation and management of financial and accounting records, failure to which the provisions of section 62 of the Public Audit Act, Cap.412B and section 199 of the Public Finance Management Act, Cap.412A on penalties for offences shall apply;

		<p>ii. the National Treasury should enhance awareness and training on changes made to the accounting standards to all public officers handling financial matters in Counties;</p> <p>iii. the Accounting Officer should strengthen internal audit controls and ensure proper record keeping in line with section 155 of the Public Finance Management Act, Cap.412A and submit a quarterly report to the County Treasury and the Controller of Budget in accordance with section 168(3) of the Public Finance Management Act, Cap.412A, failure to which the provisions of section 199 of the Public Finance Management Act, Cap.412A on penalties for offences shall apply;</p> <p>iv. the Accounting Officer should</p>
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		<p>enhance the capacity of in-post officers preparing financial statements to comply with the Public Sector Accounting Standards and should further invest in technology to enhance efficiency and improve the accuracy of financial statements within 6 months after adoption of the report; and</p> <p>v. the Accounting Officer ensures that prior year adjustments are carried out in the company's financial statements of the subsequent year to correct the errors in order to reflect the true financial position of the company.</p> <p><b>The query was marked as un-resolved.</b></p>
<p><b>Unvalued Property, Plant and Equipment and Delayed Civil Works</b></p>	<p>Property, plant and equipment value of Kshs.48,809,817 includes unvalued land and building without title deeds.          -Work in progress valued at Kshs.6,781,734 scheduled to be completed in September 2022 (9 months) remains incomplete to</p>	<p>The Committee recommended that- The Committee recommends that-</p> <p>i. within sixty (60) days of the adoption of this report, the</p>

		<p>Governor of Lamu County ensures that the title deeds of the four (4) parcels of land are processed to safeguard the company's assets;</p> <p>ii. the Accounting Officer ensures that the water company maintains an up-to-date asset register in the format prescribed by the Public Sector Accounting Standards Board (PSASB) and the company to carry out a valuation of all its assets and submit the same to the Office of the Auditor-General within 60 days from the adoption of this report; and</p> <p>iii. the Auditor-General to monitor the progress of the project and provide a status update of the same to the Senate within 60 days of the adoption of this report.</p> <p><b>The query was marked as un-resolved.</b></p>
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<p><b>Budget Control and Performance</b></p>	<p>- Under collection of revenue Kshs.19,939,207 or 23% of budget expenditure</p>	<p>The Committee recommended that-</p> <ul style="list-style-type: none"> <li>i. The Accounting Officer should ensure strict compliance with section 149(2) (h) and (i) of the Public Finance Management Act, Cap. 412A and the standards prescribed by the Public Sector Accounting Standards Board under IPSAS 24 on the presentation of budget information in the financial statements for an entity that prepares their financial statements under the accrual basis of accounting, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply;</li> <li>ii. the Accounting Officer should comply with regulation 42(1) (b) of the Public Finance</li> </ul>
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		<p>Management (County Government) Regulations, 2015 on exerting budgetary control measures, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply; and</p> <p>iii. the Board of directors should institute proper and realistic budget planning as well as measures to enhance its own generated revenue, such as review of tariffs, connection of more customers and automation to address revenue leakages. The Auditor-General to confirm the effectiveness of the mitigating measures put in the water company and report in the subsequent audit cycle.</p>
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<b>OTHER MATTER</b>		
<b>Unresolved Prior Year Audit Matters</b>	the water company had unresolved prior year matters demonstrating	The Committee recommended that-

	<p>management lack of action to implement corrective measures.</p>	<p>i. the Accounting Officer should resolve any issues resulting from an audit that remains outstanding as required by section 149(2)(1) of the Public Finance Management Act, Cap. 412A, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences may apply; and</p> <p>ii. the Auditor-General provides a status update on the progress made on the matter in the subsequent audit cycle upon review of the progress report.</p> <p><b>The query was marked as un-resolved.</b></p>
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**REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

<p><b>Non-Revenue Management</b></p>	<p><b>Water</b></p> <p>i. the non-revenue water for the company was at 53% which was 28% above the sector benchmark of 25% as set out in WASREB guidelines; and</p> <p>ii. although the water company put mitigation measures to</p>	<p><b>The committee rec The Committee recommended that—</b></p> <p>i. the Accounting Officer should put in place comprehensive measures to mitigate</p>
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reduce the level of non-revenue water, the level of the non-revenue water increased from the previous year, an indication that the measures are not effective.

on the Non-Revenue Water, that is, both physical and commercial losses. The measures to include replacement of old age dilapidated infrastructure, installation of smart meters for accurate billing and the application of Geographical Information System (GIS) to receive real-time data for the detection of bursts and leakages among other measures. The Auditor-General to review the implementation of the measures put in place to mitigate the Non-Revenue Water and provide a status update on the matter in the subsequent audit cycle;

ii. given the impact of Non-Revenue Water on the water company's cashflows, the Accounting Officer should ensure that a provision for Non-Revenue Water is included in the financial statements. Further, explanatory notes should be provided to detail the contributions of both commercial and

		<p>physical loss factors to the overall Non-Revenue Water; and</p> <p>iii. the County Government to collaborate with the Ethics and Anti-Corruption Commission to ensure pre-emptive measures are put place to reduce cases of theft and illegal connections.</p> <p><b>The query was marked as un-resolved.</b></p>
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**The Following queries were interrogated in Lamu County Referral Hospital Limited**

REPORT ON FINANCIAL STATEMENTS		
<p><b>1. Inaccurate Income</b></p>	<p>variance of Ksh. 3,063,927 between revenue collections recorded manually and those made through mobile payments remained unreconciled</p>	<p><b>The Committee recommended that—</b></p> <p>The Ethics and Anti-Corruption Commission (EACC) conducts investigations on the revenue collections in Lamu County Referral Level 4 Hospital to ascertain if there was loss of any funds with a view to holding accountable those found culpable and provide a status update on actions taken within sixty (60) days of the adoption of this report; and the Accounting Officer should ensure strict compliance with the provisions of regulation 90 (1) of Public Finance Management (County Government) Regulations</p>

		<p>2015 with respect to monthly reconciliation of bank statements, failure to which the provisions of section 199 of the Public Finance Management Act, Cap.412A on penalties for offences shall apply</p> <p><b>The query was marked as un-resolved.</b></p>
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**Emphases of Matter**

<b>Budgetary Control and Performance</b>	<p>underfunding of Kshs.1,535,975 (2% of the budget) during the financial year under review due to waivers granted to needy patients; and</p> <p>the hospital failed to absorb Ksh. 29,153,304 (38% of its budget) during the financial year under review</p>	<p>The Committee recommended that the Accounting Officer should comply with regulation 42(1)(b) of the Public Finance Management (County Government) Regulations, 2015 on exerting budgetary control measures, failure to which the provisions of section 199 of the Public Finance Management Act on penalties for offences shall apply.</p> <p><b>The query was marked as un-resolved</b></p>
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**REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

<b>Inefficiencies in the Manual Revenue Collection System</b>	<p>Manual receipts issued upon payments being made through paybill. - Missing Receipts captured in revenue schedules for April, May and June 2024</p>	<p>The Committee recommended that</p> <ol style="list-style-type: none"> <li>i. the Accounting Officer ensures the implementation of an integrated patient registration and electronic billing system that accurately tracks patient</li> </ol>
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		<p>registrations, services rendered, payments received, and outstanding balances. The Accounting Officer to provide a status update on the implementation of the aforementioned system to the Senate within 60 days of the adoption of this report; and</p> <p>ii. the integrated hospital management information systems should comply with the provision of the Digital Health Act No.15 of 2023 in as far as application of comprehensive integrated digital health information system is concerned</p> <p><b>The query was marked as un-resolved.</b></p>
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### Interventions and Directive

1. The Committee noted that the operational independence of Lamu Municipality was not fully operationalized in line with the provisions of Public Finance Management Act and the Urban Areas City Act. The Committee noted that some progress had been made with respect to transfer of assets and gazettelement of functions. The Committee therefore directed that the Governor

- should ensure that the independence of the Municipality is fully operationalized within 4 months from the date of the meeting and provide evidence of the same to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025.
2. The Committee noted inaccuracies in financial statements of Lamu Water and Sewerage Company Limited. The Committee directed as follows-
    - a. Automation of the accounting processes within 6 months from the date of the meeting;
    - b. Undertake necessary adjustments with the corresponding journal entries and provide evidence of the same to the Auditor General for verification. The Auditor General to provide status update in the subsequent audit cycle.; and
    - c. Build capacity for officers in the finance and accounts department and ensure that financial statements are signed by accountants who are ICPAK members.
  3. The Committee noted unvalued Property, Plant and Equipment and delayed civil works of the water treatment facility in Mokowe. The Committee noted that the transfer of assets was underway and that the valuation would be accomplished after finalization of the same. The committee therefore directed as follows-
    - a. that within 5 months from the date of this meeting the county government should obtain ownership documents of all land owned by the water company; and
    - b. that the Mokowe water project should be completed by 31<sup>st</sup> May 2025 and put into use. The Auditor-General to provide the status update in the subsequent audit cycle in the financial year 2024/2025;
  4. The Committee noted that the non-revenue water was on an upward trajectory as depicted in the 3 consecutive financial years above the sector benchmark of 25%. The Committee directed that the County puts in place comprehensive measures to reduce the non-revenue water and provide evidence of the same to the Auditor General for verification.
  5. The Committee directed that the Governor ensures that Lamu County Referral Hospital prioritizes automation of revenue management as well as acquisition and deployment of an integrated health management system to enhance internal controls in the Hospitals; and
  6. The accounting officers were directed to ensure that documents are submitted to the Auditor General in line with the Public Audit Act during the audit process





## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE ELEVENTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON TUESDAY, 18<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 11.30 A.M.

#### PRESENT

- |  |               |
|--|---------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson |
| 2. Sen. Agnes Kavindu Muthama, MP      | - Member      |
| 3. Sen. Peris Pesi Tobiko, CBS, MP     | -Member       |
| 4. Sen. Beth Kalunda Syengo, MP        | -Member       |
| 5. Sen. George Mungai Mbugua, MP       | - Member      |
| 6. Sen. Hamida Ali Kibwana, MP         | - Member      |

#### ABSENT WITH APOLOGY

- |                                  |                    |
|----------------------------------|--------------------|
| 7. Sen. Eddy Gicheru Oketch, MP  | - Vice-Chairperson |
| 8. Sen. William Kisang' Kipkemoi | - Member           |
| 9. Sen. Raphael Chimera Mwinzagu | - Member           |

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant III |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Ouma   | - Serjeant-at-arms    |

#### IN ATTENDANCE

##### A. COUNTY GOVERNMENT OF NYAMIRA

- |                      |                          |
|----------------------|--------------------------|
| 1. Hon. Amos Nyaribo | -Governor Nyamira County |
| 2. Dr. Mogoi Donald  | -CEC- Health             |
| 3. Dr. John Matiangi | -CEC Water               |

- |                         |                         |
|-------------------------|-------------------------|
| 4. Mr.Erastaus Orina    | -County Attorney        |
| 5. Dr. Jack Mogera      | -County Secretary       |
| 6. Mr.Jones Omwenga     | -CECM- Finance          |
| 7. Mr.Reuben Momanyi    | -Accountant             |
| 8. Dr. Oeba Jared       | -Director               |
| 9. Mr.Charles Otworu    | -Advisor                |
| 10. Mr.Robert Labah     | -Director Communication |
| 11. Mr. Andrew Ongene   | -Chief Officer          |
| 12. Mr. Steveb Oboso    | -CEC Lands              |
| 13. Mr.Ogweche Joseph   | -Accountant             |
| 14. Mr. Simon Maraga    | PA-GM                   |
| 15. Mr.Josephat Gori    | -CCO                    |
| 16. Mr. Nyambega Gijesa | -Lands Committee        |
| 17. Mr.Morara Mokua     | -Manager Municipality   |
| 18. Mr.Eric Nyakondo    | -PPO                    |

#### **B. OFFICE OF THE AUDITOR GENERAL**

- |                      |                     |
|----------------------|---------------------|
| 1. Mr. Tom Ratemo    | - Principal Auditor |
| 2. Mr. Mark Gachanja | - Liaison Officer   |

#### **C. THE NATIONAL TREASURY**

Dr. Jackson Ndungo - Deputy Director Audit

#### **MIN. NO. SEN/CPICSF/67/2025 PRAYER**

The meeting was called to order by the Chairperson at twelve O'clock followed by a word of prayer.

#### **MIN. NO. SEN/CPICSF/68/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. George Mungai Mbugua, MP and seconded by Sen. Agnes Kavindu Muthama, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Nyamira to interrogate Reports of the Auditor-General on the Financial Statements of Nyamira Water and Sanitation Company Limited, Nyamira County Referral Hospital and Nyamira Municipality for Financial Year 2023/2024;

5. Any Other Business; and
6. Date of the Next Meeting and Adjournment

**MIN. NO. SEN/CPICSF/69/2025**

**ADMINISTRATION OF OATH OF WITNESS  
AND TABLING OF DOCUMENTS**

The Governor of Nyamira County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports Nyamira Water and Sanitation Company Limited, Nyamira County Referral Hospital and Nyamira Municipality for Financial Year 2023/2024

**MIN. NO. SEN/CPICSF/70/2025**

**MEETING WITH THE COUNTY  
EXECUTIVE OF NYAMIRA TO  
INTERROGATE REPORTS OF THE  
AUDITOR-GENERAL ON THE  
FINANCIAL STATEMENTS OF  
NYAMIRA WATER AND SANITATION  
COMPANY LIMITED, NYAMIRA  
COUNTY REFERRAL HOSPITAL AND  
NYAMIRA MUNICIPALITY FOR  
FINANCIAL YEAR 2023/2024**

The Following queries were interrogated in Nyamira Municipality-.

**a. For the Year ended 2023/2024**

<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>Understatement of Employee Cost</b>	casual wages were understated by Kshs. 661,875.	The Committee recommended that the Accounting Officer amends the financial statement provide. Auditor General to verify and amend Financial Statement and provide a status update in the subsequent audit cycle.  <b>The query was marked as un-resolved.</b>
<b>Understatement of trade and other payable</b>	There was a variance of Kes.3,302,875 resulting from understatement of the trade payables	The Committee recommended that the Accounting Officer amends the financial

	to Kes. 17,602,875.01 as opposed to Kes. 20,905,750	statement provide. Auditor General to verify and amend Financial Statement and provide a status update in the subsequent audit cycle.  <b>The query was marked as un-resolved.</b>
<b>Weakness in imprest Management</b>	the imprest register provided by the management for audit verification was incomplete  the Municipality reimbursed Kshs. 1,904,600 of travel expenses after staff returned to their duty station, contrary to Public Finance Management (County Governments) Regulations, 2015	The Committee recommended that the Accounting Officer ensures strict adherence to Regulation 93(1) and (4) (c) of the Public Finance Management (County Governments) Regulations, 2015 in regards to maintenance of an imprest record, failure to which the provisions of section 199 of the Public Finance Management Act, Cap.412A on penalties for offences shall apply.  <b>The query was marked as un-resolved.</b>
<b>Lack of independence of Municipality</b>	the Municipality lacked autonomy	The Committee recommended that the Governor of Nyamira County takes all the necessary steps to ensure the Municipality of Nyamira achieves full operational independence by 30th June, 2025 in accordance with sections 12 (management independence), 20 (functional independence), 45 and 46 (financial independence) of the Urban Areas and Cities Act, cap.275.

The Following queries were interrogated in Nyamira Referral Hospital

<p><b>Unsupported Property, Plant and Equipment</b></p>	<ul style="list-style-type: none"> <li>i. the Hospital's fixed assets register was not up-to-date; and</li> <li>ii. the transfer of various assets, including land, buildings, motor vehicles, plant, and medical equipment, from the County Government to the Hospital was not done. Management attributed this to the Hospital's lack of autonomy from the County Government.</li> </ul>	<p>The Committee recommended that-</p> <ul style="list-style-type: none"> <li>i. Within sixty (60) days of the adoption of this report the Governor ensures that the hospital assets are registered in favour of the hospital and thereafter, the hospital maintains an updated asset register in the format prescribed by the Public Sector Accounting Standards Board pursuant to section 104(1)(h) of the Public Finance Management Act 2012, failure to which the penalties under section 199 of the Act shall apply; and</li> <li>ii. the Governor of Nyamira County ensures that the hospital has an independent budget in the subsequent financial year to facilitate independent procurement processes and ensure proper financial tracking and accountability in accordance to section 20 of the Facilities Improvement Financing Act 2023. Further, the budget must comply with</li> </ul>
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		<p>Section 164(2) a) of Public Finance Management Act, CAP, 412A with respect to disclosures on appropriated funds, failure to which penalties under section 199 of the Public Finance Management Act shall apply.</p> <p><b>The query was marked as un-resolved.</b></p>
<p><b>Unremitted Housing Levy and National Industrial Training Authority Payments</b></p>	<p>the Hospital failed to deduct and remit housing levy and National Industrial Training Authority (NITA) contributions due to the short-term, daily-wage employment model utilized for casual workers, who are not salaried employees.</p>	<p>The Committee recommends that the Accounting Officer ensures that the hospital strictly adheres to the provisions of section 5 of the Industrial Training Act, Cap.237 with regards to National Industrial Training Authority (NITA) contributions</p> <p><b>The query was marked as un-resolved.</b></p>
<p><b>Long Outstanding Trade and Other payables</b></p>	<p>the hospital's financial statements included a Trade and Other payables balance of Kshs. 28,868,885 owed to various entities including KEMSA, KPLC, GWASCO, Kisii Security guards and other general supplies</p>	<p>The Committee recommends that within 60 days of the adoption of this report, the Governor of Nyamira County should engage KEMSA, GWASCO, Kisii Security guards and the other general supplies to agree on a repayment plan for the outstanding balances owed to each entity and file a report on the same with the Auditor-General for verification. The Auditor-General to provide a status update on the matter in the subsequent audit cycle</p>

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## Interventions and Directive

1. The Committee noted that Nyamira County Referral Hospital assets were held in trust by the County Government and directed that within 3 months from the date of the meeting, the Governor ensures that the assets are transferred in favour of the hospital and also ensure that the responsible accounting officer maintains an updated asset register in line with section 149(2)(0) of the Public Finance Management Act as well as in the format prescribed by the Public Sector Accounting Standards Board;
2. The Committee noted that the hospital was neither deducting nor remitting housing and training levies for the casual employees. The Committee further noted that the County Government had sought guidance from KRA and NITA on how to levy and remit contributions and were yet to get feedback from the two entities. The Committee therefore directed that upon receipt of the guidance, the County government shall apply the applicable guidance as directed. The Auditor General to monitor and update the Committee in the subsequent audit cycle;
3. The Committee also noted that there were long outstanding payables in the financial year under review. The Committee further noted this was occasioned by unrealized revenues in particular unremitted payments from NHIF. The Committee noted that there were efforts to reduce the outstanding debts and directed that the Governor explore own source revenues to settle the same. The Auditor General to monitor and update the Committee in the subsequent audit cycle.
4. The Committee noted that there was understatement of casual wages occasioned by an error of omission. The Committee further noted that the amendments to the financial statements had since been done but were yet to be verified by the Auditor General since they were done after the signing of the financial statements. The Committee directed that the County government submits the corresponding journal entries to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025.
5. The Committee noted an understatement of trade and other payables. The Committee further noted that the amendments to the financial statements had since been done but were yet to be verified by the Auditor General since they were done after the signing of the financial statements. The Committee directed the county government to submit the corresponding journal entries to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025.

6. The Committee noted weakness in imprest management. In addition, the Committee noted that the Municipality did not maintain an updated imprest register. The Committee therefore directed the Accounting Officer responsible for Municipality to adhere to the PFM regulations on temporary imprest management. Further, the Accounting Officer should submit an updated imprest register to the Auditor-General for verification. The Auditor-General to provide the status update in the subsequent audit cycle in the financial year 2024/2025.
7. The Committee noted that the Municipality had not attained full independence. The Committee directed that the Governor ensures that the Nyamira Municipality attains full operational independence by the end of the Financial Year 2024/2025 in line the PFM Act and Urban Areas and Cities Act. The Auditor General to monitor the matter and provide the status update in the subsequent audit cycle in the financial year 2024/2025

**MIN. NO. SEN/CPICSF/71/2025      ANY OTHER BUSINESS**

There was no other business discussed in the meeting.

**MIN. NO. SEN/CPICSF/72/2025      DATE OF NEXT MEETING & ADJOURNMENT**

The Chairperson adjourned the meeting at seven minutes past two 'clock in the afternoon. The next meeting would be on Thursday, 20<sup>th</sup> March, 2025 at thirty minutes past eight o'clock in the morning.



**SIGNED: ..... DATE: ....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS,MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE TWELVETH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON THURSDAY, 20<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 9.00 A.M.

#### PRESENT

- |  |                    |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson      |
| 2. Sen. Eddy Gicheru Oketch, MP        | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP      | - Member           |
| 4. Sen. William Kisang' Kipkemoi       | - Member           |
| 5. Sen. Peris Pesi Tobiko, CBS, MP     | -Member            |
| 6. Sen. Beth Kalunda Syengo, MP        | -Member            |
| 7. Sen. George Mungai Mbugua, MP       | - Member           |
| 8. Sen. Hamida Ali Kibwana, MP         | - Member           |
| 9. Sen. Raphael Chimera Mwinzagu       | - Member           |

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant III |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Ouma   | - Serjeant-at-arms    |

#### IN ATTENDANCE

##### A. COUNTY GOVERNMENT OF ELGEYO MARAKWET

- |                       |                      |
|-----------------------|----------------------|
| 1. Hon. Wesley Rotich | -Governor EMC County |
| 2. Mr. Monicah Rotich | -CEC- Health         |
| 3. Mr. Thomas Maiyo   | -CECM Lands          |
| 4. Mr. Alphanus Tanui | -CECM- Finance       |
| 5. Mr. Lazarus Chebui | -County Secretary    |

6. Mr.Amos Kiptum	-Accountant
7. Mr. Emmanuel Birir	-CO-Lands
8. Mr. M.Jairo	-Director Finance
9. Mr. Caleb Kimutai	-Accountant
10. Mr. Jeremiah Chirchir	-CO Health
11. Mr. Felix Kirongo	-Municipal Manager
12. Mr. Raymond Kemboi	-Administrator
13. Mr. David Kimutai	- Ag. MD
14. Mr.Paul Yator	-MD-
15. Mr.Jeremiah Kigen	-Accountant

## **B. OFFICE OF THE AUDITOR GENERAL**

1. Mr. Isaiah Kanithi	- Principal Auditor
2. Mr. Mark Gachanja	- Liaison Officer
3. Mr. Gabriel Manyi	-Audit Assistant
4. Mr. Patrick Irungu	- Principal Auditor

## **C. THE NATIONAL TREASURY**

Dr. Jackson Ndungo	- Liaison officer
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### **MIN. NO. SEN/CPICSF/73/2025 PRAYER**

The meeting was called to order by the Chairperson at twenty-three minutes past nine O'clock followed by a word of prayer.

### **MIN. NO. SEN/CPICSF/74/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Agnes Kavindu Muthama, MP and seconded by Sen. Beth Kalunda Syengo, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Elgeyo Marakwet to interrogate Reports of the Auditor-General on the Financial Statements of Iten Tambach Water and Sewerage Company Limited, Iten County Referral Hospital and Iten Tambach Municipality for Financial Year 2023/2024;
5. Any Other Business; and  
Date of the Next Meeting and Adjournment

The Governor of Elgeyo Marakwet County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports Iten Tambach Water and Sewerage Company Limited, Cherangany Water and Sewerage Company Limited Iten County Referral Hospital and Iten Tambach Municipality for Financial Year 2023/2024;

The Following queries were interrogated in Iten Tambach Municipality-

a. For the Year ended 2023/2024

Audit Query	Concern	Observation and Recommendations
Inaccuracy of Cash and Cash Equivalent Balance	The management was yet to open a separate account for the retention monies for the Municipality	The Committee recommended that within 30 days of the adoption of this report, the board ensures the municipality has opened a retention account and the Auditor-General to provide status update in the subsequent audit cycle.  The query was marked as un-resolved.
Lack of Operational Independence of the Municipality	Iten Tambach municipality failed to have its budget prepared and failed to independently operate of the County Executive since its resources were budgeted under the department of Lands, Housing and Urban	The committee recommended that the Governor of Elgeyo Marakwet County takes all the necessary steps to ensure the Iten Tambach Municipality achieves full

	Development.	operational independence by 30 <sup>th</sup> June, 2025 in accordance with sections 12 (management independence), 20 (functional independence), 45 and 46 (financial independence) of the Urban Areas and Cities Act.  <b>The query was marked as un-resolved.</b>
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**The Following queries were interrogated in Iten County Referral Hospital**

<b>Unsupported inventory</b>	Authenticity of the documents could not be ascertained  No reconciliation was done between manual and system generated documents	The Committee recommended that the Governor- <ul style="list-style-type: none"> <li>- institutes an internal mechanism to manage the audit process;</li> <li>- to ensure automation of processes</li> </ul> officers to ensure timely submission of documents during the audit process;  <b>The query was marked as un-resolved.</b>
<b>Non- Maintenance of an updated fixed assets register</b>	Hospital land yet to be transferred from the National Treasury to the County	The Committee recommends that the Accounting Officer ensures proper asset management  <b>The query was marked as un-resolved.</b>
<b>Non- compliance with Kenya Quality Model for Health Policy Guidelines</b>	Inadequate staffing and equipment	The Committee recommended that the Governor endeavors to adhere to the comply with Kenya Quality Model for health policy.  <b>The query was marked as</b>

		<b>un-resolved</b>
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**The Following queries were interrogated in Iten Tambach Water and Sewerage Company Limited**

<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>Trade and other receivables</b>	Long outstanding trade payables	The Committee recommended that within 7 the Governor submits measures to recover outstanding debts  <b>The query was marked as un-resolved.</b>
<b>Unsupported ordinary share capital</b>	Late submission of documents  Share certificate not updated	The committee recommended that the Governor provides updated share certificate and CR12 within 90 days <b>The query was marked as un-resolved.</b>
<b>Board of Directors</b>	The Board lacked inclusivity	The Committee recommended that the Governor ensures compliance

**The Following queries were interrogated in Cherangany Water and Sewerage Company Limited**

<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>Non water Revenue</b>	Lack of records of water volumes produced	The Committee recommended that the Governor puts in place the infrastructure to monitor and record water volumes. Auditor to monitor and report in the subsequent audit cycle  <b>The query was marked as un-resolved.</b>
<b>Unsupported ordinary share capital</b>	Late submission of documents  Share certificate not updated	The committee recommended that the Governor provides updated share certificate and

		CR12 within 90 days <b>The query was marked as un-resolved.</b>
<b>Board of Directors</b>	The Board lacked inclusivity	The Committee recommended that the Governor ensures compliance
<b>Variance between financial statements and supporting schedules</b>	variance between financial statement balances and supporting schedules.	The Committee directed Governor to ensure the necessary adjustments are done using the relevant journal entries and submit the same to the Auditor-General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025

### **Interventions and Directive**

1. The committee noted unsupported inventory in Iten County Referral hospital occasioned by lack of stock taking report, board of survey and the store ledgers to support the balance. The Committee directed the Governor to institute internal mechanisms to manage the audit process to ensure compliance with respect to production of documents and information relevant to the audit;
2. The Committee noted that the County Government used manual accounting and procurement systems in the Iten County Referral hospital which yielded weak accounting systems. The Committee directed the Governor to automate all processes through an Integrated Health Information Management System to enhance accountability;
3. The Committee noted that Iten County Referral hospital failed to maintain an updated assets register. The Committee however noted that movable assets had already been transferred in favour of the hospital whereas tangible assets were yet to be transferred from the National Treasury. The Committee directed the Governor to engage IBEC and the Summit in pursuing the transfer of the assets.
4. The Committee noted non-compliance with Kenya Quality Model for Health Policy Guidelines in Iten County Referral Hospital on matters pertaining to staff, equipment and infrastructure deficits. The Committee recommended that the Governor avails resources to progressively address the identified inadequacies;

5. The Committee noted inaccuracy of cash and cash equivalents. The Committee also noted that Iten -Tambach Municipality did not have bank accounts for the retention monies. The Committee therefore directed that the Governor ensures the opening of the retention account with immediate effect to enhance independence and autonomy of the Municipality;
6. The Committee noted that the Municipality lacked autonomy. However, the Committee noted that the municipal board had been reconstituted and was in the process of assuming its functions. The Committee therefore directed that the Governor ensures that the municipality gets its full autonomy in line with section 169 – 181 of the Public Finance Management Act as read together with sections 12, 20, 45 and 46 of the Urban Areas and Cities Act;
7. The Committee noted that Cheranganyi Marakwet Water and Sanitation Company Limited did not maintain records of water volumes produced due to lack of water master meter and thus could not compute non-revenue water for the water. The Committee directed the Governor to ensure that the water company has installed a water master meter. Auditor-General to monitor compliance and provide a status update in the subsequent audit cycle.
8. The Committee noted the non-revenue water for Iten Tambach water stood at 31% which is six (6) percentage points above the sector benchmark of 25% as per WASREB. The Committee therefore directed the Governor to provide the comprehensive measures he will take to improve the non- revenue water within 14 days from the date of the meeting and submit to the Auditor-General for monitoring. Auditor-General to provide a status update on their effectiveness in the subsequent audit cycle;
9. The Committee noted that the trade and other receivables had exceeded the normal credit period. The Committee directed that the Governor provides copies of demand letters sent and other recovery avenues used by the County Government within 14 days from the date of the meeting;
10. The Committee noted that there was unsupported ordinary share capital of the company. The Committee noted that the share certificate was provided after completion of the audit yielding to late submission of documents. However, the share certificate provided was not up to date. The Committee directed that the Governor to obtain an updated share certificate and an up-to-date CR12 of the water company by the end of the financial year and provide copies of the same to the Auditor-General for verification. Auditor-General to provide a status update in the subsequent audit cycle;
11. The Committee noted that the board of Iten-Tambach Water and Sanitation Company Limited did not meet the diversity requirement. The Committee directed the Governor to ensure compliance with section 7 of the National Cohesion and Integration Act on diversity. The Auditor General to monitor compliance and provide a status update in the subsequent audit cycle;

12. The Committee noted variance between financial statement balances and supporting schedules. The Committee directed Governor to ensure the necessary adjustments are done using the relevant journal entries and submit the same to the Auditor-General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025

**MIN. NO. SEN/CPICSF/77/2025      ANY OTHER BUSINESS**

1. The Committee to undertake a county visit to Elgeyo Marakwet county on a fact- finding mission on how Equitable Development Allocation Programme works as well as asses its challenges; and
2. The secretariat was directed to prepare a brief on the role of the committee in the oversight of the Road Maintenance Levy Fund (RMLF). *Action: The Legal Counsel.*

**MIN. NO. SEN/CPICSF/78/2025      DATE OF NEXT MEETING & ADJOURNMENT**

The Chairperson adjourned the meeting at fifty-one minutes past eleven 'clock in the morning. The next meeting would be on Thursday, 20<sup>th</sup> March, 2025 at thirty minutes past eleven o'clock in the morning.



**SIGNED: ..... DATE: .....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS,MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

**MINUTES OF THE THIRETENTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON THURSDAY, 20<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 11.30 A.M.**

### **PRESENT**

- |  |                    |
|--|--------------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson      |
| 2. Sen. Eddy Gicheru Oketch, MP        | - Vice-Chairperson |
| 3. Sen. Agnes Kavindu Muthama, MP      | - Member           |
| 4. Sen. William Kisang' Kipkemoi       | - Member           |
| 5. Sen. Peris Pesi Tobiko, CBS, MP     | -Member            |
| 6. Sen. Beth Kalunda Syengo, MP        | -Member            |
| 7. Sen. George Mungai Mbugua, MP       | - Member           |
| 8. Sen. Hamida Ali Kibwana, MP         | - Member           |
| 9. Sen. Raphael Chimera Mwinzagu       | - Member           |

### **SECRETARIAT**

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant III |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Ouma   | - Serjeant-at-arms    |

### **IN ATTENDANCE**

#### **A. COUNTY GOVERNMENT OF KWALE**

- |                         |                   |
|-------------------------|-------------------|
| 1. Hon. Fatuma Achani   | -Governor         |
| 2. Ms. Sylvia Chidodo   | -County Secretary |
| 3. Mr. Hemed Musabudo   | -CEC Water        |
| 4. Mr. Eric Parmet      | -MD Kwale         |
| 5. Ms.Saumu Beja Mahata | -CECM Envnt       |

- |                           |                    |
|---------------------------|--------------------|
| 6. Mr. Arex Onduko        | -CO Finance        |
| 7. Mr. William Jefwa      | -Finance Manager   |
| 8. Mr. Marago Filex       | -Accountant        |
| 9. Mr. Hamadi Madzore     | -Municipal Manager |
| 10. Ms. Mwannami Ramadhan | -Municipal Manager |
| 11. Mr. Bebewa Jackson    | - Accountant       |
| 12. Mr. Khamisi Mwandaro  | -Municipal Manager |

**B. OFFICE OF THE AUDITOR GENERAL**

- |                      |                     |
|----------------------|---------------------|
| 1. Ms. Maimuna Adan  | - Principal Auditor |
| 2. Mr. Mark Gachanja | - Liaison Officer   |

**C. OFFICE OF THE CONTROLLER OF BUDGET**

- |                      |                    |
|----------------------|--------------------|
| Ms. Constance Wasike | -Principal Auditor |
|----------------------|--------------------|

**MIN. NO. SEN/CPICSF/79/2025          PRAYER**

The meeting was called to order by the Chairperson at twelve O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/80/2025          ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. George Mungai Mbugua, MP and seconded by Sen. William Kisang' Kipkemoi, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Kwale to interrogate Reports of the Auditor-General on the Financial Statements of Kwale Water and Sewerage Company Limited, Diani Municipality, Lunga Lunga Municipality, Kinango Municipality and Kwale Municipality for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/81/2025          ADMINISTRATION OF OATH OF WITNESS AND TBLING OF DOCUMENTS**

The Governor of Kwale County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of Kwale Water and

Sewerage Company Limited, Diani Municipality, Lunga Lunga Municipality, Kinango Municipality and Kwale Municipality for Financial Year 2023/2024

**MIN. NO. SEN/CPICSF/82/2025 MEETING WITH THE COUNTY EXECUTIVE OF KWALE TO INTERROGATE REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF KWALE WATER AND SEWERAGE COMPANY LIMITED, DIANI MUNICIPALITY, LUNGA LUNGA MUNICIPALITY, KINANGO MUNICIPALITY AND KWALE MUNICIPALITY FOR FINANCIAL YEAR 2023/2024**

The following queries were interrogated in the Kinango Municipality .

<b>REPORT ON THE FINANCIAL STATEMENTS</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>Lack of Transfer of Delegated Authority</b>	control over development budget and actual performance were still held by the County Treasury.	The Committee observed lack of transfer of delegated authority to Kinango Municipality. The Committee therefore directed that the Governor ensures that the municipality gets its full autonomy in line with section 169 – 181 of the Public Finance Management Act as read together with sections 12, 20, 45 and 46 of the Urban Areas and Cities Act.  The query remains unresolved.

The following queries were interrogated in the Lunga Lunga Municipality .

<b>REPORT ON THE FINANCIAL STATEMENTS</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>Land Purchased in the Name of County</b>	Currently the Municipality is Using the County Integrated Development	The committee noted that land purchased was registered

Government of Kwale	Plan (CIDP) and The Annual Development Plan	<p>under County Government of Kwale and not the Lunga Lunga Municipality Board contrary to the Urban Areas and Cities Act. The Committee noted that the Municipality has no KRA PIN and that the parcels acquired could not be registered in its name. The Committee directed that the Governor ensures that the Municipality acquires the KRA PIN to facilitate the transfer of the parcels of land in 30 days from the date of the meeting.</p> <p>The query remains unresolved.</p>
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The Following queries were interrogated in the Report on Kwale Water and Sanitation Company Limited.

<b>REPORT ON THE OTHER MATTER</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
1. Material Uncertainty Related to Going Concern	Total current liability balance of Kshs. 622,449,838 and total current assets balance of Kshs. 384,306,862 resulting in negative working capital of Kshs. 238,142,976 or a current ratio of 0.6	<p>The Committee noted that Kwale Water and Sewerage liquidity ratios were below one depicting the inability of the entity to settle its short-term obligations once due.</p> <p>The committee directed that the Governor puts in place comprehensive measures for recovery to improve the financial health of water companies. These were to include but not limited to management of non-revenue water for revenue maximization and debt management. The Governor</p>

		<p>was directed to submit the status report to the Auditor General for monitoring. The Auditor General to report to the Committee in the subsequent audit cycle.</p> <p><b>The query remains unresolved</b></p>
<b>2.Long Outstanding Accounts Receivables</b>	<p>receivables amounting to Kshs. 275,867,905 has been outstanding for over 120 days.</p>	<p>The Committee observed that Kwale Water and Sewerage Company had long outstanding receivables for over 120 days.</p> <p>The Committee directed that the Governor provides a detailed summary of debtors list within 14 days from the date of the meeting. The Committee also directed that the Governor provides a debt management policy stipulating measures and policies to realize overdue settlements</p> <p><b>The query remains unresolved</b></p>
<b>3..Non-Revenue Water</b>	<p>49 % of water produced is Non-Revenue Water(NRW). This is higher than 25% allowable loss by the water service regulatory board (WASREB) guidelines.</p>	<p>The Committee observed that Kwale Water and Sewerage had realized a reduction of non-water revenue from 55% to 49% albeit it was still higher than the stipulated benchmark of 25% by WASREB.</p> <p>The Committee directed the Governor to strive to establish the categories of losses to be able to manage the non-revenue water prudently.</p> <p><b>The query remains unresolved</b></p>

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### **Interventions and Directive**

1. The Committee noted that Kwale Water and Sewerage Company had long outstanding receivables for over 120 days. The Committee directed that the Governor provides a detailed summary of debtors list within 14 days from the date of the meeting. The Committee also directed that the Governor provides a debt management policy stipulating measures and policies to realize overdue settlements; and
2. The Committee noted that Kwale Water and Sewerage had realized a reduction of non-water revenue from 55% to 49% albeit it was still higher than the stipulated benchmark of 25% by WASREB. The Committee directed the Governor to strive to establish the categories of losses to be able to manage the non-revenue water prudently.
3. The Committee noted that Kwale Water and Sewerage liquidity ratios were below one depicting the inability of the entity to settle its short-term obligations once due. The committee directed that the Governor puts in place comprehensive measures for recovery to improve the financial health of water companies. These were to include but not limited to management of non-revenue water for revenue maximization and debt management. The Governor was directed to submit the status report to the Auditor General for monitoring. The Auditor General to report to the Committee in the subsequent audit cycle.
4. The Committee noted lack of transfer of delegated authority to Kinango Municipality. The Committee therefore directed that the Governor ensures that the municipality gets its full autonomy in line with section 169 – 181 of the Public Finance Management Act as read together with sections 12, 20, 45 and 46 of the Urban Areas and Cities Act.
5. The committee noted that land purchased was registered under County Government of Kwale and not the Lunga Lunga Municipality Board contrary to the Urban Areas and Cities Act. The Committee noted that the Municipality has no KRA PIN and that the parcels acquired could not be registered in its name. The Committee directed that the Governor ensures that the Municipality acquires the KRA PIN to facilitate the transfer of the parcels of land in 30 days from the date of the meeting.

**MIN. NO. SEN/CPICSF/83/2025      ANY OTHER BUSINESS**

There was no other business discussed in the meeting.

MIN. NO. SEN/CPICSF/84/2025

DATE OF NEXT MEETING &  
ADJOURNMENT

The Chairperson adjourned the meeting at six minutes past two 'clock in the afternoon. The next meeting would be on Friday, 21<sup>st</sup> March, 2025 at eight o'clock in the morning.



SIGNED: ..... DATE: .....26.3.2025.....

(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

**MINUTES OF THE FORTENTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON TUESDAY, 25<sup>TH</sup> MARCH, 2025 AT COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 10.00 A.M. FOR COUNTY EXECUTIVE OF KAKAMEGA AND COUNTY EXECUTIVE OF KISIL.**

### **A. COUNTY EXECUTIVE OF KAKAMEGA.**

#### **PRESENT**

- |  |               |
|--|---------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson |
| 2. Sen. Peris Pesi Tobiko, CBS, MP     | - Member      |
| 3. Sen. Beth Kalunda Syengo, MP        | - Member      |
| 4. Sen. Raphael Chimera Mwinzangu, MP  | - Member      |

#### **ABSENT WITH APOLOGY**

- |                                 |                    |
|---------------------------------|--------------------|
| 1. Sen. Eddy Gicheru Oketch, MP | - Vice-Chairperson |
|---------------------------------|--------------------|

#### **IN ATTENDANCE**

- |                                   |                            |
|-----------------------------------|----------------------------|
| Sen. (Dr.) Boni Khalwale, CBS, MP | - Senator, Kakamega County |
|-----------------------------------|----------------------------|

#### **SECRETARIAT**

- |                        |                     |
|------------------------|---------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I |
| 2. Ms. Beatrice Kapei  | - Legal counsel     |
| 3. CPA. Kennedy Owuoth | - Fiscal Analyst    |
| 4. Mr. Raisa Mwithi    | - Research Officer  |
| 5. Mr. Victor Kimani   | - Audio officer     |
| 6. Mr. Fredrick Okola  | - Serjeant-at-arms  |

#### **IN ATTENDANCE**

##### **A. COUNTY GOVERNMENT OF KAKAMEGA**

- |                              |                       |
|------------------------------|-----------------------|
| 1. FCPA Fernades Barasa, OGW | - Governor            |
| 2. Dr. Lawrence Omuhaka      | - CECM-Finance        |
| 3. Ms. Peninah Mukabane      | - CECM Water          |
| 4. Mr. Benjamin Andama       | - CECM Public Service |
| 5. Arch. Patrick Kundu       | - CECM Lands          |

- |                         |                               |
|-------------------------|-------------------------------|
| 6. CS. Vivianne Mmbaka  | - County Attorney             |
| 7. Mr. Michael Ogol     | - Managing Director KACWASCO  |
| 8. Ms. Violet Ofisi     | - Municipal Manager, Kakamega |
| 9. Mr. Chris O. Ombunya | - Municipal Manager, Mumias   |
| 10. Ms. Annette Aseyo   | - Accountant, Mumias Mun.     |
| 11. Mr. Joseph Ngoko    | - Accountant, Kakamega Mun.   |

**B. OFFICE OF THE AUDITOR GENERAL**

- |                        |                           |
|------------------------|---------------------------|
| 1. Dr. Simon S. Nabosu | - Director Auditor        |
| 2. Mr. Peter Gitonga   | - Director Auditor        |
| 3. Mr. Anthony Muriuki | - Deputy Director Auditor |
| 4. Mr. Mark Gachanja   | - Liaison Officer         |

**C. OFFICE OF THE CONTROLLER OF BUDGET**

- |                      |                   |
|----------------------|-------------------|
| Ms. Constance wasike | - Liaison Officer |
|----------------------|-------------------|

**D. THE NATIONAL TREASURY**

- |                    |                   |
|--------------------|-------------------|
| Dr. Jackson Ndungo | - Liaison Officer |
|--------------------|-------------------|

**MIN. NO. SEN/CPICSF/79/2025 PRAYER**

The meeting was called to order by the Chairperson at half past ten O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/80/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Raphael Chimera Mwinzangu, MP and seconded by Sen. Peris Pesi Tobiko, CBS, MP as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Kakamega to interrogate Reports of the Auditor-General on the Financial Statements of Kakamega Water and Sewerage Company Limited, Kakamega Municipality and Mumias Municipality for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/81/2025 ADMINISTRATION OF OATH OF WITNESS AND TABLING OF DOCUMENTS**

The Governor of Kakamega County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of Kakamega Water and Sewerage Company Limited, Kakamega Municipality and Mumias Municipality for Financial Year 2023/2024.

**MEETING WITH THE COUNTY EXECUTIVE OF KAKAMEGA TO INTERROGATE REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF KAKAMEGA WATER AND SEWERAGE COMPANY LIMITED, KAKAMEGA MUNICIPALITY AND MUMIAS MUNICIPALITY FOR FINANCIAL YEAR 2023/2024**

The following queries were interrogated in Kakamega Water and Sewerage Company

REPORT ON THE FINANCIAL STATEMENTS		
Audit Query	Concern	Observation and Recommendations
<b>1. Misstatement of Trade and Other Receivables</b>	The aging analysis to ascertain the age of the debts of Kshs.247,315,566 and a report on their ecoverability was not provided for audit review and unexplained variance of Kshs.1,611,254 noted between the ledger and the financial statements.	The Committee observed that the management submitted documents to account for 1,611,254 and a revised ledger to reflect the correct amount of Kshs.330,202,606. However, the documentations and explanations were done outside the audit time.  <b>The query remains unresolved.</b>
<b>2. Unsupported Bad debt written-off</b>	The receivables were reduced by bad debts written-off amounting to Kshs.55,408,532	The Committee Observed that the water company was in the process of writing off bad debts and Governor directed to ensure the water company adheres to laid legal framework governing writing off bad debts. <b>The query remains unresolved.</b>
<b>3. Material Uncertainty Related to Going Concern</b>	net operating loss of Kshs.5,400,381 and a comparative loss of Kshs.6,354,903 realized in the previous financial year 2022/2023 affecting going concern of the Company	The committee Directed the Governor to ensure the County takes steps to improve financial health of the company.  <b>The query remains unresolved.</b>
<b>4. Excess Wage Bill</b>	staff costs amounting to Kshs.180, 074,012 which is equivalent to 49% of the total revenue of Kshs.363, 832,165 against the required ratio of 30%. The current staff numbers one hundred and sixty-seven (167) staff which differs from recommended industry requirement for the water company of ninety (90) staff resulting in excess staffing of seventy-seven (77) personnel contrary to the law	The Committee observed that the high staff cost negatively affected the financial health of the water company and directed the Auditor-General to undertake audit of all employees of the Company to ascertain there were no ghost workers.  <b>The query remains unresolved</b>
<b>5. Long Outstanding Trade and Other Payables</b>	long-term payables balance of Kshs.408, 678,432, which have been outstanding for more than three years. The long outstanding payables comprise of	The Governor requested the intervention of Senate on matter of the long outstanding loan opining that the obligation to repay these

	Kreditanstalt für Wiederaufbau (KfW) of Kshs.38, 387,465, World Bank-Mumias of Kshs.275, 541,203, World Bank-Lumakanda of Kshs.63, 013,172, and Motor Vehicles of Kshs.7, 067,367.	loans lies with the National Treasury and not the Kakamega County Water and Sanitation Company. Committee resolved to further deliberate on the matter.
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**The Following queries were interrogated in the Report of Mumias and Kakamega municipalities-**

1. Non-collection of own generated revenue.
2. Lack of operational autonomy
3. Operating municipalities without approved budgets.

The Committee directed the Governor to ensure the municipalities have full autonomy and he committed to do so by December, 2025.

**B.COUNTY EXECUTIVE OF KISII.**

**PRESENT**

- |  |                           |
|--|---------------------------|
| 5. Sen. Godfrey Atieno Osotsi, CBS, MP | - <b>Chairperson</b>      |
| 6. Sen. Eddy Gicheru Oketch, MP        | - <b>Vice-Chairperson</b> |
| 7. Sen. Agnes Kavindu Muthama, MP      | - Member                  |
| 8. Sen. William Kipkemoi Kisang, MP    | - Member                  |
| 9. Sen. Beth Kalunda Syengo, MP        | - Member                  |
| 10. Sen. Peris Pesi Tobiko, CBS, MP    | - Member                  |
| 11. Sen. George Mungai Mbugua, MP      | - Member                  |
| 12. Sen. Raphael Chimera Mwinzangu, MP | - Member                  |
| 13. Sen. Hamida Ali Kibwana, MP        | - Member                  |

**ABSENT WITH APOLOGY**

**IN ATTENDANCE**

Sen. Richard Onyonga, MP - Senator Kisii County

**SECRETARIAT**

- |                         |                       |
|-------------------------|-----------------------|
| 7. Mr. Yussuf Shimoy    | - Clerk Assistant I   |
| 8. Mr. Erick Njogu      | - Clerk Assistant II  |
| 9. Mr. Godfrey Nyaga    | - Clerk Assistant III |
| 10. Mr. Khatib Omar     | - Clerk Assistant III |
| 11. Mr. Jeremy Chabari  | - Legal counsel       |
| 12. CPA. Kennedy Owuoth | - Fiscal Analyst      |

- |                        |                    |
|------------------------|--------------------|
| 13. Mr. Raisa Mwithi   | - Research Officer |
| 14. Mr. Victor Kimani  | - Audio officer    |
| 15. Mr. Fredrick Okola | - Serjeant-at-arms |

**IN ATTENDANCE**

**E. COUNTY GOVERNMENT OF KISII**

- |                           |                     |
|---------------------------|---------------------|
| 12. Hon. Paul Simba Arati | - Governor          |
| 13. Mr. Earnest Osoro.    | - County Secretary  |
| 14. Ms. Grace Nyarango.   | - CEC-Lands         |
| 15. Ms. Lucy Wachira      | - MD-GWASCO         |
| 16. Mr. Cleophas Okioi    | - Co-Lands          |
| 17. CPA. Thaddeus Mogoi   | - Accountant Gwasco |
| 18. Mr. Ronald Nyakweba   | - CECM-Health       |
| 19. Ms. Sheila Moraa      | - Accountant        |

**F. OFFICE OF THE AUDITOR GENERAL**

- |                        |                    |
|------------------------|--------------------|
| 5. Mr. Rowland Kinyeki | - Director Auditor |
| 6. Mr. Kenneth Oyamo   | - Senior Auditor   |
| 7. Mr. Mark Gachanja   | - Liaison Officer  |

**MIN. NO. SEN/CPICSF/83/2025 PRAYER**

The meeting was called to order by the Chairperson minutes past ten O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/84/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. George Mbugua, MP and seconded by Sen. Agnes Kavindu, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Kisii to interrogate Reports of the Auditor-General on the Financial Statements of Kisii Teaching and Referral Hospital and Kisii County Health Facilities Improvement Fund for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/85/2025 ADMINISTRATION OF OATH OF WITNESS AND TBLING OF DOCUMENTS**

The Governor of Kisii County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of Kisii Teaching and

Referral Hospital and Kisii County Health Facilities Improvement Fund for Financial year 2023/2024.

**MIN. NO. SEN/CPICSF/86/2025 MEETING WITH THE COUNTY EXECUTIVE OF KISII TO INTERROGATE REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF KISII TEACHING AND REFERRAL HOSPITAL AND KISII COUNTY HEALTH IMPROVEMENT FUND FOR FINANCIAL YEAR 2023/2024**

The following queries were interrogated in the Kisii Teaching and Referral Hospital.

<b>REPORT ON THE FINANCIAL STATEMENTS</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>1. Unconfirmed Property, Plant and Equipment Balance.</b>	<p>The land, buildings, motor vehicles, furniture and fittings, medical equipment, which were in place before 1 July, 2022 have not been reported in the financial statements. Further, any depreciation that would have been charged to the above has not been accounted for.</p> <p>The property, plant and equipment balance does not include land and buildings which are critical components of property plant and equipment. Management has attributed this to lack of title deed to parcel of land occupied by the Hospital.</p> <p>Management did not maintain up to date fixed asset register to record necessary information such as date of acquisition, type of assets, supplier name, costs, accumulated depreciation, net book values, asset codes, custodian and location among other details in respect of the assets the fund owns. As a result, it was not possible to establish fully depreciated assets, bonded items and how the same will be written off in the books of accounts.</p> <p>There was no evidence, such as valuation report, to confirm that valuation of major assets was ever done.</p>	<p>The Committee observed that the Management did not maintain up to date fixed asset register to record necessary information such as date of acquisition, type of assets, supplier name, costs, accumulated depreciation, net book values, asset codes, custodian and location among other details in respect of the assets the fund owns. As a result, it was not possible to establish fully depreciated assets, bonded items and how the same will be written off in the books of accounts.</p> <p>There was no evidence, such as valuation report, to confirm that valuation of major assets was ever done.</p> <p>The Committee directed the Governor provides the asset register to the Auditor General within 30 days after the date of the meeting.</p> <p>The Auditor-General to provide a status update in the subsequent audit cycle.</p> <p><b>The query remains unresolved.</b></p>
<b>2.Cash and cash Equivalent</b>	<p>in the reconciliation statement an amount of Kshs.350,000 (relating to the previous year) in respect of payments in the bank statement not in the cash book whose nature was not disclosed and the supporting documentation were not provided for audit.</p>	<p>The Committee Observed that the matter is under investigation as the Management had already reported to the police.</p> <p><b>The query remains unresolved.</b></p>
<b>3.Inventory -Week Controls in the Stores</b>	<p>In the financial statements is inventories balance of Kshs.81,597,093. The hospital had three (3) stores located in different areas</p>	<p>The Committee Observed thatThe committee noted that there were</p>

	<p>and divided into kitchen stocks, laboratory stocks, drugs stocks, non-pharm stocks, radiology and stationary stock, which had the following closing stocks as at 30th June 2024:</p> <p>Upon visit to the physical stores, the following anomalies were noted:</p> <p>i.The bin cards under Nyangito with stores stationary and non-pharm was not up to date.</p> <p>ii.All the bin cards in all the stores did not record closing stock as at 30 of June, 2024.</p> <p>iii.There were no fire extinguishers in the stores.</p> <p>iv.The drugs bin cards showed that there were no drugs, some have not been bought since January.</p> <p>v.Nyangito store being the big store (bulk store) had only one staff under stationary and non-pharm.</p>	<p>weak controls over revenue management systems. The committee observed that the management was in the process of operationalizing a health management information system. The Committee directed Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025.</p> <p><b>The query remains unresolved.</b></p>
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**The Following queries were interrogated in the Report on Kisii County Health Facilities Improvement Funds.**

REPORT ON THE FOLLOWING MATTERS		
Audit Query	Concern	Observation and Recommendations
<p><b>1. Unconfirmed Trade Payables Balance</b></p>	<p>The statement of financial position as at 30 June 2024 reflects trade and other payables balance of Kshs.66,435,677 whose supporting schedule lacked crucial details such as local purchase order numbers and the specific dates they were contracted. In addition, supporting documents for the trade and other payables including invoices, procurement records and contract documents were not provided for review. Management also did not provide a plausible explanation as to why Kshs.45,863,156 relating to payables outstanding over a year were not paid in the period they occurred but carried forward to 2023-2024.</p>	<p>The committee noted that there were unconfirmed trade payables in the period under review. The Committee directed the Governor to submit detailed aging list of payables to be submitted to the committee within 30 days from the date of the meeting and that the Governor ensures settlement of the outstanding payables sixty days from the date of the meeting.</p> <p><b>The query remains unresolved.</b></p>
<p><b>2. Irregular Contracted Services-Casual Wages</b></p>	<p>Review of the expenditure revealed the casual employees engaged at the level four facilities were paid varied rates ranging between Kshs.6,000 to Kshs.7,500 while contractual staff were paid Kshs.16,000 per month. However, management did not provide for review a breakdown of payment per each level four hospital in respect to casual wages and payment for contractual staff in order to arrive at the Kshs. 24,086,199.</p>	<p>The Committee noted that the response from the County Public Service Board was missing. The Committee directed that the Governor ensures a follow up for corrective measures as per Section 75 of the county Government Act;</p>

		<b>The query remains unresolved</b>
<b>3.Inaccuracy of the Statement of Cash Flows and</b>	The statement of cash flows reflects Kshs.72,168,569 In respect to general expenses. However, the statement of financial performance reflects Kshs. 72,131,646 on the same item resulting to a variance of Kshs.36,923 whose reconciliation provided at note 10 to the financial statements was not supported.	<p>The Committee noted that there were inaccuracies in the health facilities improvement fund on the statement of cash flows and unbalanced statement of financial position. The Committee further noted that the amendments to the financial statements had since been done but were yet to be verified by the Auditor General since they were done after the signing of the financial statements.</p> <p>The Committee directed that the County submits the corresponding journal entries to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025;</p> <p><b>The query remains unresolved</b></p>

### Interventions and Directives

- a. The committee resolved that a report be provided on the standing of finance and accounting officers at the time of signing financial statements, indicating whether they were in good standing. Where officers were not in good standing, the report should account for the underlying causes to enable the committee to take appropriate action;
- b. The Committee noted that the asset register for the Kisii teaching and referral hospital was not provided. The Committee directed the Governor provides the asset register to the Auditor General within 30 days from the date of the meeting. Auditor-General to monitor compliance and provide a status update in the subsequent audit cycle;
- c. The Committee observed that the Kisii teaching and referral hospital had unconfirmed property, plant and equipment balances. The Committee noted that the assets in question were not in the facilities ownership and that the valuation was still ongoing to facilitate the transfers. The Committee directed the Governor to ensure the transfers are finalized and the asset register

- updated. Auditor-General to monitor compliance and provide a status update in the subsequent audit cycle;
- d. The committee noted that the slice CT scans and the cryotherapy machine were not working and requested Governor to write to the Ministry seeking disposal of the same;
  - e. The committee noted that the mother and child hospital had experienced delays. The Committee observed that the completion works were ongoing and expected to be done by April 2025. Auditor-General to monitor compliance and provide a status update in the subsequent audit cycle;
  - f. The committee noted that on cash and cash equivalents, a payment of Kes.350,000 could not be traced. The committee noted that the matter had been reported and was under investigation. The Committee directed a follow up on the same and a status update be shared to the Auditor General for verification. Auditor General to share an update of the same in the subsequent cycle;
  - g. The committee noted that Kisii teaching and referral hospital had weak inventory controls in the stores. The Committee noted that a number of controls were updated after close of year. The Committee directed the Governor to share Minutes of the therapeutic committee noting the procurement of drugs on need basis. Auditor General to verify the same and report in the subsequent audit cycle;
  - h. The Committee noted that there were inaccuracies in the health facilities improvement fund on the statement of cash flows and unbalanced statement of financial position. The Committee further noted that the amendments to the financial statements had since been done but were yet to be verified by the Auditor General since they were done after the signing of the financial statements. The Committee directed that the County submits the corresponding journal entries to the Auditor General for verification. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025;
  - i. The committee noted irregular contracted services in the health facilities improvement fund. The Committee noted that the response from the County Public Service Board was missing and directed that the Governor ensures a follow up for corrective measures as per Section 75 of the county Government Act;
  - j. The committee noted that there were unconfirmed trade payables in the period under review. The Committee directed the Governor to submit detailed aging list of payables to be submitted to the committee within 30 days from the date of the meeting and that the Governor ensures settlement of the outstanding payables sixty days after the date of the meeting; and
  - k. The committee noted that there were weak controls over revenue management systems. The committee observed that the management was in the process of

operationalizing a health management information system. The Auditor General to provide the status update in the subsequent audit cycle in the financial year 2024/2025.

**MIN. NO. SEN/CPICSF/87/2025      ANY OTHER BUSINESS**

There was no any other business.

**MIN. NO. SEN/CPICSF/88/2025      DATE OF NEXT MEETING &  
ADJOURNMENT**

The Chairperson adjourned the meeting thirty-eight minutes past twelve o'clock in the afternoon. The next meeting would be on Tuesday, 25<sup>th</sup> March, 2025.



**SIGNED: ..... DATE: .....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE FIFTENTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON MONDAY, 24<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 9.00 A.M.

#### PRESENT

- |  |               |
|--|---------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson |
| 2. Sen. Agnes Kavindu Muthama, MP      | - Member      |
| 3. Sen. William Kipkemoi Kisang, MP    | - Member      |
| 4. Sen. Beth Kalunda Syengo, MP        | - Member      |
| 5. Sen. Peris Pesi Tobiko, CBS, MP     | - Member      |
| 6. Sen. George Mungai Mbugua, MP       | - Member      |
| 7. Sen. Raphael Chimera Mwinzangu, MP  | - Member      |
| 8. Sen. Hamida Ali Kibwana, MP         | - Member      |

#### ABSENT WITH APOLOGY

- |                              |                    |
|------------------------------|--------------------|
| Sen. Eddy Gicheru Oketch, MP | - Vice-Chairperson |
|------------------------------|--------------------|

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Erick Njogu     | - Clerk Assistant III |
| 3. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 4. Mr. Khatib Omar     | - Clerk Assistant III |
| 5. Mr. Jeremy Chabari  | - Legal counsel       |
| 6. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 7. Ms. Raisa Mwithi    | - Research Officer    |
| 8. Ms. Victor Kimani   | - Audio officer       |
| 9. Mr. Fredrick Okola  | - Serjeant-at-arms    |

#### IN ATTENDANCE

- |                          |                    |
|--------------------------|--------------------|
| Sen. Adrew Omtata Okoiti | -Sen. Kisii County |
|--------------------------|--------------------|

#### A. COUNTY GOVERNMENT OF BUSIA

- |                        |                    |
|------------------------|--------------------|
| 1. Hon. Paul Otuoma,   | - Governor         |
| 2. Mr. John Oscar Juma | - County Secretary |

- |                            |                        |
|----------------------------|------------------------|
| 3. Mr. Lusamba wilberforce | - CCO Health           |
| 4. Mr. Adrew Mleso         | - CECM- Water          |
| 5. CPA. Kenneth Odera      | - Fund administrator   |
| 6. Mr. Vincent Wanjala     | -CO-Lands              |
| 7. Mr. John Muroki         | - Chief officer Energy |
| 8. Mr.Ahmed Hefow          | -Chief Officer Roads   |

**B. OFFICE OF THE AUDITOR GENERAL**

- |                       |                         |
|-----------------------|-------------------------|
| 1. Mr. Muigai Ikame   | - Deputy Director Audit |
| 2. Mr. Jackson Ndungo | - Auditor               |
| 3. Mr. Mark Gachanja  | - Liaison Officer       |

**C. THE NATIONAL TREASURY**

- |                    |                   |
|--------------------|-------------------|
| Dr. Jackson Ndungo | - Liaison Officer |
|--------------------|-------------------|

**D. OFFICE OF THE CONTROLLER OF BUDGET**

- |                      |                   |
|----------------------|-------------------|
| Ms. Constance Wasike | - Liaison Officer |
|----------------------|-------------------|

**MIN. NO. SEN/CPICSF/95/2025 PRAYER**

The meeting was called to order by the Chairperson at thirty minutes past nine O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/96/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. George Mbugua , MP and seconded by Sen. Agnes Kavindu, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Busia to consider Reports of the Auditor-General on the Financial Statements of the Busia Water and Sewerage Services Company Limited and the Busia County Health Services Fund for financial year 2023/2024;
5. Any Other Business;
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/97/2025 ADMINISTRATION OF OATH OF WITNESS AND TABLING OF DOCUMENTS**

The Governor of Busia County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of the Busia County Health Services Fund for financial year 2023/2024.

**MEETING WITH THE COUNTY EXECUTIVE OF BUSIA TO CONSIDER REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE BUSIA WATER AND SEWERAGE SERVICES COMPANY LIMITED AND BUSIA COUNTY HEALTH SERVICES FUND FOR FINANCIAL YEAR 2023/2024**

**a. Report of the Auditor-General on the Financial Statements of the Busia Water and Sewerage Services Company Limited.**

The Governor requested for more time to adequately respond to the issues raised by the Auditor-General in the Report of Busia Water and Sewerage Services Company Limited and the Committee acceded to this request.

**b. Report of the Auditor-General on the Financial Statements of the Busia County Health Services Fund.**

The following issues were considered -

<b>REPORT ON FINANCIAL STATEMENTS</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>1. Unsupported expenditure</b>	<ul style="list-style-type: none"> <li>Expenditure amounting to Kshs.11,090,267 in respect to use of goods and services, the amounts include payments of Ksh.5,929,521 whose details show it was a transfer of the money but details of recipient were not included while the the remaining balance of Ksh.5,160,746 relate to transfers made to various dispensaries but no supporting documents were provided for audit.</li> </ul>	<p>The Committee observed that the county submitted all necessary documents to adequately respond to the query to the satisfaction of the Committee. However, the submission of documents was outside the timelines contemplated under the Public Audit Act.</p> <p>The Committee directed the Governor to take administration action against officers.</p> <p><b>The query was resolved.</b></p>
<b>2. Budgetary Control and Performance</b>	<p>The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.21,572,618 and Kshs.Nil respectively, resulting to under-funding of Kshs.21,572,618 or 100% of the budget. Similarly, the statement reflects total actual expenditure of Kshs.11,090,267 against an approved budget of Kshs.21,572,618 or 51%</p>	<p>The Committee noted that there was under-funding of Kshs.21,572,618 or 100% of the budget.</p> <p>The Committee directed the accounting officer to comply with Finance Management (County Government) Regulations, 2015 on exerting budgetary</p>

		<p>control measures.</p> <p>The query remains unresolved.</p>
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**Interventions and Directive**

Upon deliberations, the Committee gave the following general directives –

- i. The Governor requested for more time to adequately respond to the issues raised by the Auditor-General in the Report of Busia Water and Sewerage Services Company Limited and the Committee acceded to this request; and
- ii. In Busia County Health Services Fund, the Committee interrogated two queries in the Report-
  - a) Unsupported expenditure- the Committee observed that the county submitted all necessary documents to adequately respond to the query to the satisfaction of the Committee. However, the submission of documents was outside the timelines contemplated under the Public Audit Act and directed the Governor to take administration action against officers.
  - b) Budgetary control and performance- the Committee observed that there was underfunding of the health sector in the county.

**MIN. NO. SEN/CPICSF/99/2025      ANY OTHER BUSINESS**

There were no any other business.

**MIN. NO. SEN/CPICSF/100/2025      DATE OF NEXT MEETING & ADJOURNMENT**

The Chairperson adjourned the meeting at two minutes past eleven o'clock in the morning. The next meeting would be on Monday, 24<sup>th</sup> March, 2024 at two o'clock in the afternoon.



**SIGNED: ..... DATE: .....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

### MINUTES OF THE SIXTENTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON MONDAY, 24<sup>TH</sup> MARCH, 2025 AT COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 4.00 P.M.

#### PRESENT

- |  |               |
|--|---------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson |
| 2. Sen. Agnes Kavindu Muthama, MP      | - Member      |
| 3. Sen. William Kipkemoi Kisang, MP    | - Member      |
| 4. Sen. Peris Pesi Tobiko, CBS, MP     | - Member      |
| 5. Sen. Beth Kalunda Syengo, MP        | - Member      |
| 6. Sen. Hamida Ali Kibwana, MP         | - Member      |
| 7. Sen. George Mungai Mbugua, MP       | - Member      |
| 8. Sen. Raphael Chimera Mwinzangu, MP  | - Member      |

#### ABSENT WITH APOLOGY

- |                              |                    |
|------------------------------|--------------------|
| Sen. Eddy Gicheru Oketch, MP | - Vice-Chairperson |
|------------------------------|--------------------|

#### SECRETARIAT

- |                        |                       |
|------------------------|-----------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I   |
| 2. Mr. Godfrey Nyaga   | - Clerk Assistant III |
| 3. Mr. Jeremy Chabari  | - Legal counsel       |
| 4. CPA. Kennedy Owuoth | - Fiscal Analyst      |
| 5. Mr. Joseph Otieno   | - Audio officer       |
| 6. Mr. Ibrahim Odido   | - Serjeant-at-arms    |

#### IN ATTENDANCE

##### A. COUNTY GOVERNMENT OF TANA RIVER

- |                                     |                            |
|-------------------------------------|----------------------------|
| 1. Hon. (Dr.) Dhadho Gaddae Godhana | - Governor                 |
| 2. Ms. Brenda Mokaya                | - CECM-Finance             |
| 3. Ms. Mariam Abdalla               | - CO Finance               |
| 4. Ms. William Jillo                | - MD TAWASCO               |
| 5. Rev. Kerry C. Komora             | - Audit Committee Member   |
| 6. Mr. Khadija Mohamed              | - Audit Committee Member   |
| 7. Mr. Thomas Gikinyo               | - Senior Accountant        |
| 8. Mr. Charles Njuguna              | - Ass. Dir. Internal Audit |

9. Mr. James Njaramba - Accountant TAWASCO  
10. Ms. Jacob Jarha - Municipal Manager

**B. OFFICE OF THE AUDITOR GENERAL**

1. Mr. Moris O. Otieno - Deputy Director Audit  
2. Mr. Mark Gachanja - Liaison Officer

**C. OFFICE OF THE CONTROLLER OF BUDGET**

- Ms. Constance Wasike - Liaison Officer

**D. THE NATIONAL TREASURY**

- Dr. Jackson Ndungo - Liaison Officer

**MIN. NO. SEN/CPICSF/101/2025 PRAYER**

The meeting was called to order by the Chairperson at twenty-three minutes past three O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/102/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Peris Pesi Tobiko, CBS, MP and seconded by Sen. Beth Kalunda Syengo, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Tana River to interrogate Reports of the Auditor-General on the Financial Statements of Municipality of Hola, Tana River Water and sanitation Company Limited and Hola County Referral Hospital for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/103/2025 ADMINISTRATION OF OATH OF WITNESS AND TABLING OF DOCUMENTS**

The Governor of Makueni County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of Municipality of Hola, Tana River Water and Sanitation Company Limited and Hola County Referral Hospital for Financial Year 2023/2024.

**MIN. NO. SEN/CPICSF/104/2025 MEETING WITH THE COUNTY EXECUTIVE OF TANA RIVER TO INTERROGATE REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF MUNICIPALITY OF HOLA, TANA RIVER WATER AND**

**SANITATION COMPANY LIMITED AND  
HOLA COUNTY REFERRAL HOSPITAL  
FOR FINANCIAL YEAR 2023/2024**

**Hola County Referral Hospital**

The Committee observed that there were no audit reports for Hola County Referral Hospital as management failed to submit financial statements to the Auditor-General for audit. Further, the Committee observed that the hospital was categorized as an entity under the line department and was therefore audited within the scope of the line department. The Committee directed the Governor to ensure that hospitals prepare and submit their financial statements to the Auditor-General for audit, emphasizing that hospitals are self-reporting entities.

**Municipality of Hola**

The Committee observed that Municipality of Hola lacked operational independence and directed the Governor to ensure that the operational autonomy of Municipality of Hola is fully actualized within 90 days from the date of the meeting in accordance with sections 169 – 181 of the Public Finance Management Act as read together with sections 12 (Structures and management of cities, municipalities), 20 (Governance and management functions of a board), 45 and 46 (financial autonomy) and provide evidence of the same to the Auditor-General for verification and monitoring. The Auditor-General should provide a status update in the subsequent audit cycle.

Further, the Committee observed that the municipality did not have a board at the time of the meeting as the former board's tenure had expired in December, 2024. The Committee also noted that new nominees for appointment to the board had already been identified, but their vetting and approval by the County Assembly were still pending. The Committee directed the Governor to liaise with the County Assembly and expedite the appointment process. The Auditor-General was tasked with providing as status update in on the matter in the subsequent audit cycle.

**Tana Water and Sanitation Company Limited**

The following queries were interrogated –

**1. Inaccurate refundable Deposits and Prepayments Balance**

The Committee observed the following anomalies –

- a. The water company did not maintain a separate bank for customer deposits;  
and
- b. The water company made an irregular borrowing from customer deposits since the borrowing was not authorized by the board of the water company and the County Assembly.

The Committee directed the Governor to ensure that within 30 days from the date of the meeting, the water company opens a separate bank account for customer deposits and submits evidence of the same to the Auditor-General for verification. The Auditor-General to provide a status update in the subsequent audit cycle.

The Committee further directed the Accounting Officer responsible for the water company to ensure that borrowing from customer deposits is in accordance with section 142 of the Public Finance Management Act, Cap 412A.

**2. Unsupported and Long Outstanding Trade and Other Receivables Balance**

The Committee observed the following anomalies –

- a. Management had not made any efforts to recover the long outstanding debts;
- b. The water company did not have a debt management policy; and
- c. The debt ageing analysis was not provided for audit.

The Committee directed the Governor to ensure that the water company establishes a debt management policy within 90 days from the date of the meeting and submits a copy to the Auditor-General for verification. The Auditor-General to provide a status update in the subsequent audit cycle.

**3. Unsupported Adjustment to Share Capital Balance**

The Committee observed that the share capital was erroneously reported as Kshs. 5,000,000 in the previous years but the correct value is Kshs.100,000 according to the Memorandum of Association.

The Committee directed the Governor to take administrative action against the Accounting Officer for failing to address the anomaly, which has persisted over the years.

**4. Non-Revenue Water**

The Committee observed that the Non-Revenue Water (NRW) stood at 65%, that is, 40 percentage points above the sector benchmark of 25% as per WASREB Guidelines.

The Committee directed the Governor to ensure that the water company implements measures to reduce Non-Revenue Water (NRW) by at least 20% within the subsequent financial year.

**MIN. NO. SEN/CPICSF/105/2025      ANY OTHER BUSINESS**

There was no any other business.

**MIN. NO. SEN/CPICSF/106/2025      DATE OF NEXT MEETING & ADJOURNMENT**

The Chairperson adjourned the meeting at two minutes past six o'clock in the evening. The next meeting would be on Tuesday, 25<sup>th</sup> March, 2025.



**SIGNED: ..... DATE: .....26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**



## 13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION

**MINUTES OF THE SEVENTEETH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON TUESDAY, 25<sup>TH</sup> MARCH, 2025 IN COMMITTEE ROOM 10, SECOND FLOOR, BUNGE TOWER AT 2.00 PM.**

### **PRESENT**

- |  |               |
|--|---------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson |
| 2. Sen. Agnes Kavindu Muthama, MP      | - Member      |
| 3. Sen. William Kisang' Kipkemoi       | - Member      |
| 4. Sen. Peris Pesi Tobiko, CBS, MP     | -Member       |
| 5. Sen. Beth Kalunda Syengo, MP        | -Member       |
| 6. Sen. George Mungai Mbugua, MP       | - Member      |
| 7. Sen. Raphael Chimera Mwinzagu       | - Member      |

### **ABSENT WITH APOLOGY**

- |                                 |                    |
|---------------------------------|--------------------|
| 8. Sen. Eddy Gicheru Oketch, MP | - Vice-Chairperson |
| 9. Sen. Hamida Ali Kibwana, MP  | - Member           |

### **SECRETARIAT**

- |                       |                       |
|-----------------------|-----------------------|
| 1. Mr. Yussuf Shimoy  | - Clerk Assistant I   |
| 2. Mr. Godfrey Nyaga  | - Clerk Assistant III |
| 3. Mr. Jeremy Chabari | - Legal counsel       |
| 4. Mr. Joseph Otieno  | - Audio officer       |
| 5. Mr. Fredrick Ouma  | - Serjeant-at-arms    |

### **IN ATTENDANCE**

#### **A. COUNTY GOVERNMENT OF UASIN NGISHU**

- |                               |                           |
|-------------------------------|---------------------------|
| 1. Hon. Jonathan Bii Chelilim | -Governor                 |
| 2. Mr. Lawrence Melly         | -MD-ELDOWAS               |
| 3. Ms. Sheila Arusei          | -General Manager, Finance |
| 4. Mr. Sylvester Metto        | -County Attorney          |
| 5. Mr. Joseph Maiyo           | -GMTS- ELDOWAS            |
| 6. MR. Micah Rogony           | -CECM- Finance            |
| 7. Mr. Philip Meli            | - County Secretary        |

- |                        |                     |
|------------------------|---------------------|
| 8. Mr. Timothy Kiptaki | -Manager Finance    |
| 9. Mr.Koech Dennis     | - Manager Audit     |
| 10.Mr. Kosgei Fredrick | -GM ELDOWAS         |
| 11. Ms. Betty Komen    | -Accountant-ELDOWAS |
| 12. Mr. David Singoei  | -ELDOWAS Chairman   |
| 13. Ms. Rachel Misoi   | -ELDOWAS Director   |

**B. OFFICE OF THE AUDITOR GENERAL**

- |                      |                   |
|----------------------|-------------------|
| 1. Mr. Andrew Kintu  | - Director Audit  |
| 2. Mr. Mark Gachanja | - Liaison Officer |

**C. THE NATIONAL TREASURY**

- |                    |                   |
|--------------------|-------------------|
| Dr. Jackson Ndungu | - Liaison Officer |
|--------------------|-------------------|

**D. OFFICE OF THE CONTROLLER OF BUDGET**

- |                      |                   |
|----------------------|-------------------|
| Ms. Constance Wasike | - Liaison Officer |
|----------------------|-------------------|

**MIN. NO. SEN/CPICSF/108/2025 PRAYER**

The meeting was called to order by the Chairperson at thirty minutes past two O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/109/2025 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. George Mungai Mbugua Muthama, MP and seconded by Sen.Peris Pesi Tobiko, MP, as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Administration of Oath of Witness and Tabling of Documents;
4. Meeting with the County Executive of Uasin Gishu to interrogate Reports of the Auditor-General on the Financial Statements of Eldoret Water and Sanitation Company Limited,Uasin Gishu District hospital and the City of Eldoret for Financial Year 2023/2024;
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/110/2025 ADMINISTRATION OF OATH OF WITNESS AND TABLING OF DOCUMENTS**

The Governor of Uasin Gishu County took Oath of Witness and tabled the Management responses and supporting documents for the audit reports of the Eldoret

Water and Sanitation Company Limited, Uasin Gishu District hospital and the City of Eldoret for Financial Year 2023/2024;

**MIN. NO. SEN/CPICSF/111/2025 MEETING WITH THE COUNTY EXECUTIVE OF UASIN GISHU TO INTERROGATE REPORTS OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF ELDORET WATER AND SANITATION COMPANY LIMITED, UASIN GISHU DISTRICT HOSPITAL AND THE CITY OF ELDORET FOR FINANCIAL YEAR 2023/2024**

1. The Committee observed that Uasin Gishu District hospital management had not prepared and submitted financial statements for audit. The Committee directed the Governor to ensure hospitals at level 5 and 4 submitted financial statements for audit.
  
2. The Following queries were interrogated in Eldoret Water and Sanitation Company Limited

<b>REPORT ON FINANCIAL STATEMENTS</b>		
<b>Audit Query</b>	<b>Concern</b>	<b>Observation and Recommendations</b>
<b>2.0 Property, Plant and Equipment</b> <b>2.1 Valuation of Assets</b>	An updated report for the assets was not provided for audit review and assets with acquisition costs of Kshs.263,590,292 had been fully depreciated but continued to be in use without any book values.	The Committee observed that valuation of Company's Assets was yet to be done. Further, the Company committed to budget for valuation of its assets in the FY 2025/2026 The Governor was directed to ensure the water company fast tracks the valuation proves and that include fully depreciated assets.
<b>2.2 Motor Vehicles</b>	Ownership documents of two vehicles transferred to the Company by Lake Victoria Water Services Board were still in the name of a contractor.	The Committee noted the ownership of the two vehicles were yet to be transferred to the water company. Governor directed to engage the Lake Victoria Water Services Board to fast track the transfer of ownership of the two vehicles.
<b>3.1 Long Outstanding trade receivable</b>	Updated debtor's ledger Kshs 509,248,832 not provided, ageing analysis not provided. There was no evidence provided of the recovery efforts and measures including legal	The Committee observed that the water had no debt management policy and has not demonstrated efforts to recover the debts.

	action taken by Management to reduce the debts. No approved debt management policy proved.	Governor was directed to ensure the company had a debt management policy in place, undertakes debtors circularization and writing of bad debts should be done within the laid down legal processes.
<b>4.0 long outstanding trade creditors and other payables</b>	Kshs.111,773,218.33 owed to suppliers including Kshs.80,599,844 statutory fees outstanding and risk interest and penalties in addition to risk of litigation by the creditors for failure to settle amounts owed within the contractual timelines.	The Committee observed that the water settled all the queried payables except an amount Kshs.12,300,805 due to litigation. Committee directed the Auditor-General to keep view on the matter in next audit cycle
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>		
<b>Non- Revenue Water</b>	Total water production of 15,360,549m <sup>3</sup> but billed only 8,975,584m <sup>3</sup> ,therefore, leaving a total of 6,384,965m <sup>3</sup> un-accounted for, or 42% of the total production, translating to a loss in revenue of Kshs.415,022,720. This is contrary to WASREB guidelines which sets the acceptable level of non- revenue water at 25%.	The Committee observed that strategies enumerated by water company were not sufficient in addressing the matter, Governor directed to ensure the water company has comprehensive strategies to reduce non-revenue water.

### **3. The Following queries were interrogated in the Municipality of Eldoret**

#### **1. County Government of Uasin Gishu and the Municipality of Eldoret**

##### **1.1. Transfers from the County Government**

The committee observed that –

- i. During the period under review the Municipality received funding of Kshs.41,279,479 from the County indicating lack of autonomy;
- ii. the municipality awarded a charter to be a city, however the matter of lack of autonomy still persists;
- iii. The board of Eldoret Municipality transitioned to be board members of the City of Eldoret, contrary to Sections 13 and 14 of the Urban areas and cities Act Cap 275; and
- iv. The city lacked independence in terms of management, functional and financial contrary to Section 12,20,45 and 46 of the Urban Areas and Cities Act Cap 275.

The Committee directed the Governor to ensure that the City of Eldoret has a Board and a Municipal Manager in accordance with the Urban Areas and Cities Act Cap 275

and provide and takes all the necessary steps to ensure the City of Eldoret achieves full operational independence by 30th June, 2025 in accordance with sections 12 (management independence), 20 (functional independence), 45 and 46 (financial independence) of the Urban Areas and Cities Act, cap.275.

### **1.2 Double Reporting of Expenditure in Financial Statements**

The Committee observed that the County agreed to the matter of double reporting and this pointed to lack of autonomy for the City from the County Executive. The Committee directed the Governor to ensure the City of Eldoret has full autonomy within the laid down legal framework.

4. The Committee resolved to consider written responses for queries not interrogated for the Water Company and Municipality of Elodert during report writing.

### **MIN. NO. SEN/CPICSF/112/2025      ANY OTHER BUSINESS**

The Committee resolved to conduct a County Visits to Uaisin Gishu County.

### **MIN. NO. SEN/CPICSF/113/2025      DATE OF NEXT MEETING & ADJOURNMENT**

The Chairperson adjourned the meeting at two minutes to five o'clock. The next meeting would be on Wednesday, 26<sup>th</sup> March, 2024 at 10:30am.



**SIGNED: ..... DATE: ...26.3.2025.....**

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS,MP.)**



**13<sup>TH</sup> PARLIAMENT 4<sup>TH</sup> SESSION**

**MINUTES OF THE EIGHTEENTH SITTING OF THE COUNTY PUBLIC INVESTMENTS AND SPECIAL FUNDS COMMITTEE HELD ON WEDNESDAY, 26<sup>TH</sup> MARCH, 2025 AT THE COMMITTEE ROOM 10, BUNGE TOWERS AT 11.30 A.M.**

**PRESENT**

- |  |               |
|--|---------------|
| 1. Sen. Godfrey Atieno Osotsi, CBS, MP | - Chairperson |
| 2. Sen. Agnes Kavindu Muthama, MP      | - Member      |
| 3. Sen. Peris pesi Tobiko, MP          | - Member      |
| 4. Sen. Hamida Ali Kibwana, MP         | - Member      |
| 5. Sen. Beth Kalunda Syengo, MP        | - Member      |
| 6. Sen. George Mungai Mbugua, MP       | - Member      |

**ABSENT WITH APOLOGY**

- |                                       |                    |
|---------------------------------------|--------------------|
| 7. Sen. Eddy Gicheru Oketch, MP       | - Vice Chairperson |
| 8. Sen. William Kipkemoi Kisang, MP   | - Member           |
| 9. Sen. Raphael Chimera Mwinzangu, MP | - Member           |

**SECRETARIAT**

- |                        |                               |
|------------------------|-------------------------------|
| 1. Mr. Yussuf Shimoy   | - Clerk Assistant I           |
| 2. Mr. Eric Njogu      | - Clerk Assistant II          |
| 3. Mr. Khatib Omar     | - Clerk Assistant III         |
| 4. Mr. Godfrey Nyaga   | - Clerk Assistant III         |
| 5. Mr. Jeremy Chabari  | - Legal Officer               |
| 6. Mr. Martin Mulandi  | - Research Officer            |
| 7. Ms. Raisa Mwithi    | - Research Officer            |
| 8. Mr. Peter Katana    | - Research Officer            |
| 9. Ms. Janice Lekuton  | - Research Officer            |
| 10. Kennedy Owouthi    | - Parliamentary Budget Office |
| 11. Mr. Josphat Ng'eno | - Media Relations officer.    |

**IN ATTENDANCE**

**OFFICE OF THE AUDITOR-GENERAL**

Mr. Mark Gachanja - Liaison Officer

**MIN. NO. SEN/CPICSF/115/2025      PRAYER**

The meeting was called to order by the Chairperson at thirty minutes past eleven O'clock followed by a word of prayer.

**MIN. NO. SEN/CPICSF/116/2025      ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted having been proposed by Sen. Agnes Kavindu Muthama, MP, and seconded by Sen. George Mungai Mbugua, MP as follows –

1. Prayer;
2. Adoption of the Agenda;
3. Confirmation of Minutes;
4. Matters arising from the Previous Minutes;
5. Consideration and Adoption of Reports;
6. Any Other Business; and
7. Date of the Next Meeting and Adjournment.

**MIN. NO. SEN/CPICSF/117/2025      CONFIRMATION OF MINUTES.**

The following sets of minutes were confirmed as true record of the proceedings of the Committee -

1. The Minutes of the second Sitting held on Thursday, 20<sup>th</sup> February, 2025; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. Beth Kalunda Syengo, MP and seconded by Sen. George Mungai Mbugua, MP.
2. The Minutes of the third sitting held on Monday, 10<sup>th</sup> March, 2025 at 9:00am; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. Peris pesi Tobiko, MP and seconded by Sen. Beth Kalunda Syengo, MP.
3. The Minutes of the fourth sitting held on Monday, 10<sup>th</sup> March, 2025 at 2:00Pm; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. George Mungai Mbugua, M and seconded by Sen. Beth Kalunda Syengo, MP.
4. The Minutes of the fifth sitting held on Monday, 11<sup>th</sup> March, 2025 at 9:00am; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. George Mungai Mbugua, M and seconded by Sen. Sen. Agnes Kavindu Muthama.
5. The Minutes of the ninth sitting held on Monday, 17<sup>th</sup> March, 2025 at 3:00pm; were confirmed as a true record of the proceedings and signed by the Chairperson after being proposed by Sen. Agnes Kavindu Muthama, MP and seconded by Sen. George Mungai Mbugua, MP.

**MIN.NO.SEN/CPICSF/118/2025**

**MATTERS ARISING FROM PREVIOUS  
MINUTES**

The Committee was informed that the High Court ruling on the timely consideration of Reports of the Auditor-General was scheduled for 6<sup>th</sup> May, 2025

**MIN. NO. SEN/CPICSF/119/2025                      CONSIDERATIO AND ADOPTION OF REPORTS**

The Committee adopted the followings sets of reports and directed the secretariat to prepare them for tabling in the Senate;

1. Report of the select Committee on County Public Investments and Special Funds on the consideration of the audit reports of the following county water service providers for the Financial Year 2023/2024 (1<sup>st</sup> July, 2023 to 30<sup>th</sup> June, 2024) having being proposed by Sen. Agnes Kavindu Muthama, MP and seconded by Sen. George Mungai Mbugua, MP-

NO.	WATER COMPANY	COUNTY
1.	Busia Water and Sewerage Services Company Limited	Busia
2.	Eldoret Water and Sanitation Company Limited	Uasin Gishu
3.	Gatanga Water and Sanitation Company Limited	Murang'a
4.	Gusii Water and Sanitation Company Limited	Kisii
5.	Kakamega Water and Sanitation Company Limited	Kakamega
6.	Kapsabet Nandi Water and Sanitation Company Limited	Nandi
7.	Kibwezi-Makindu Water and Sanitation Company	Makueni
8.	Kwale Water and Sewerage Company Limited	Kwale
9.	Lamu Water and Sewerage Company Limited	Lamu
10.	Malindi Water and Sewerage Company Limited	Kilifi
11.	Mbooni Water and Sanitation Company Limited	Makueni
12.	Murang'a South Water and Sanitation Company Limited	Murang'a
13.	Murang'a Water and Sanitation Company Limited	Murang'a
14.	Tana Water and Sanitation Company Limited	Tana River
15.	Tavevo Water and Sewerage Company Limited	Taita Taveta
16.	Wote Water and Sewerage Company Limited	Makueni

2. Report of the select Committee on County Public Investments and Special Funds on the consideration of the reports Auditor-General on the following municipalities for the Financial Year 2023/2024 (1st July, 2023 to 30th June, 2024) having being proposed by Sen. Agnes Kavindu Muthama, MP and seconded by Sen. George Mungai Mbugua, MP-

NO.	MUNICIPALITY	COUNTY
1.	Diani Municipality	Kwale
2.	Eldoret Municipality	Eldoret
3.	Iten Municipality	Elgeyo-Marakwet
4.	Kapsabet Municipality	Nandi
5.	Kakamega Municipality	Kakamega
6.	Kilifi Municipality	Kilifi
7.	Kisii Municipality	Kisii
8.	Kinango Municipality	Kwale
9.	Kwale Municipality	Kwale
10.	Lamu Municipality	Lamu
11.	Lunga Lunga Municipality	Kwale
12.	Malindi Municipality	Malindi
13.	Mumias Municipality	Kakamega
14.	Mwatate Municipality	Taita- Taveta
15.	Nyamira Municipality	Nyamira
16.	Voi Municipality	Taita- Taveta
17.	Wote Municipality	Makueni

3. Report of the select Committee on County Public Investments and Special Funds on the consideration of the reports Auditor-General on the following hospitals and a fund for the Financial Year 2023/2024 (1st July, 2023 to 30th June, 2024) having being proposed by Sen. Agnes Kavindu Muthama, MP and seconded by Sen. George Mungai Mbugua, MP-

- i) Busia County Health Services Fund in Busia County
- ii) Kapsabet County Referral Hospital in Nandi County
- iii) Kisii County Teaching and Referral Hospital in Kisii County
- iv) Lamu County Referral Hospital in Lamu County
- v) Nyamira County Referral Hospital in Nyamira County

4. The Committee further considered audit queries raised in the reports of the Auditor-General for water service providers, municipalities and hospitals of the county governments tabulated in *annex 1* and observed that the reports of the county entities had—
- a) queries with high fiduciary risks; and

- b) negative implications on the sustainability of the affected county entities.
3. The Committee resolved to request the House as follows—
- a) that the Senate adopts the Auditor-General's reports on the water service providers water service providers, municipalities and hospitals of the county governments tabulated in **annex 1**; and
  - b) within ninety (90) days of the adoption of this report, the Accounting Officers of those entities of the said County Governments take necessary actions to address the audit queries and file a report to the Senate on the same.
4. Further, the Committee resolved to requests the House to that the Committee—
- a) undertakes inquiries into the issues raised by the Auditor-General to ensure that all the issues raised are adequately addressed;
  - b) conducts visits and inspect all projects highlighted by the Auditor-General in her reports to confirm the status and verify any information that may ensue to address the issues raised in the report; and follows up on the issues raised by the Auditor-General to ensure that all officers who may have taken part in the misappropriation of funds or any other breach of law are properly investigated and, where found culpable, prosecuted in a court of law.

**MIN. NO. SEN/CPICSF/120/2025 ANY OTHER BUSINESS**

There was no any other business discussed during the meeting

**MIN.NO.SEN/CPICSF/121/2025 DATE OF NEXT MEETING & ADJOURNMENT.**

The Chairperson adjourned the meeting at ten minutes to two O'clock in the afternoon. The next meeting would be by notice.



**SIGNED:** ..... **DATE:** ....26.3.2025.....

**(CHAIRPERSON: SEN. GODFREY ATIENO OSOTSI, CBS, MP.)**

