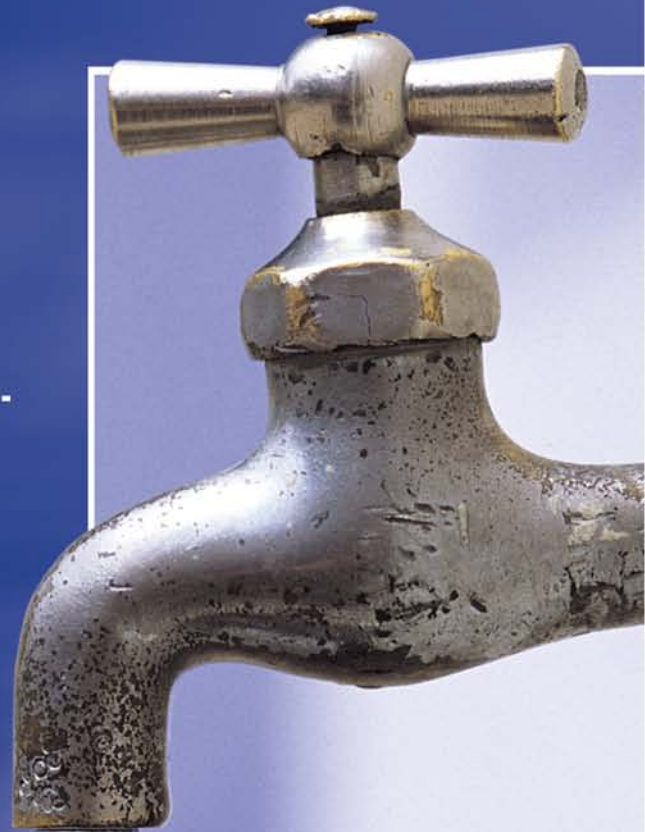


NAIROBI WATER & SEWERAGE COMPANY LIMITED

.....
A survey: April - May 2005



TRANSPARENCY
INTERNATIONAL
Kenya





**NAIROBI
WATER & SEWERAGE
COMPANY LIMITED**

A SURVEY

April - May 2005

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Abbreviations

CEO	The Chief Executive of Nairobi City Water & Sewerage Services Limited.
HOD(s)	Head of Department(s)
LGA	Local Government Act
NCC	Nairobi City Council
NWSC	Nairobi City Water & Sewerage Services Limited
TI-Kenya	Transparency International Kenya Chapter
TOR	Terms of Reference
WSB	Water Services Board
WSRB	Water Services Regulatory Board
WSP	Water Services Provider

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Abstract

This pilot survey sought information on corruption in water services delivery with respect to the city of Nairobi. The survey was conducted at the request of the management of the Nairobi Water & Sewerage Services Company Limited (NWSC), the successor to the Nairobi City Council Water Department.

90 interviews were conducted during April-May 2005, with water supply consumers (both domestic and institutional), business associates of the company and employees of the company on their experiences with corruption (if any) within the organization.

Key Findings:

- Though nearly two-thirds of respondents (64.7%) had a corruption related experience within the last 5 Years in relation to water services, most respondents were of the view that the incidences of corruption had declined considerably since the assumption by the NWSC of the services.
- The staff of the NWSC are clear that the management of NWSC is intolerant of corruption within the organization, a radical change from the hitherto ambivalent indifference by the Nairobi City Council.
- The most common form of corruption in relation to water service delivery is persistent demand for bribes from the consumers (mainly the domestic ones).
- The department within NWSC most prone to corruption is the commercial department although a significant number of the respondents indicated in their response that corruption on the whole was practiced at every level of the company.
- The ethics and integrity guidelines published by the management of the NWSC were largely unclear or unknown to most junior workers.
- The initiatives of the Ethics and Integrity committee within NWSC were largely informal and a carry-over from the NCC. The Committee was therefore not fully operational and there does not appear to be an effective whistle-blowing system.

The study then concludes by making some recommendations for the reduction of the administrative procedures that facilitate corruption within the organization.



INTRODUCTION AND

Background

WATER PROVISION IN KENYA

Although access to piped water is not a legal right in Kenya, the Local Government Act (LGA) puts a permissive obligation upon local authorities to provide water and sewerage services to residents in their respective jurisdictions. Within the City of Nairobi, this duty rested upon the Nairobi City Council, through its Water & Sewerage Services Department.

For a considerable period, the Water & Sewerage Services Department of the Nairobi City Council (NCC) was regarded as ill-equipped to deliver quality service mainly due to corruption. The solution to this problem was the proposal that water service functions of the NCC should be relocated elsewhere, preferably to an independent entity. This was not possible until the enactment of the supporting legal framework in the form of Water Act (No.8 of 2002) whose declared objective was, *inter alia*, to:

“Provide for the management, conservation, use and control of water resources and for the acquisition and regulation of rights to use water: to provide for regulation and management of water supply and services.....”

The Water Act 2002 repealed the Water Act of 1952 as well as the provisions of the LGA which empowered local authorities to provide water and sewerage services. It sought to reconstitute the institutions of management of water and regulate supply for sustainable utilization. It envisaged a reduced role for the Government (both central and local government) in water provision and separated the roles in water resource allocation and management.

In particular, the new statute created new institutions including:

1. Water Services Regulatory Board (WSRB) - responsible for the regulation and licensing of water provision and sewerage and maintenance of quality standards.
2. Water Service Boards (WSB) - responsible for provision of water and sewerage services within the areas for which they have been licensed (by WSRB) to operate. They are licensed in regions that combine districts but do not necessarily overlap with the Provinces in Kenya. For example: there are the Nairobi Water Service Board, the Lake Region Water Service Boards and a Coast Region Water Service Board.
3. Water Service providers (WSP) - These are appointed by the WSBs under agreements; their major function is retailing water and sewerage services to residents of the areas of a particular WSB. The WSPs are often limited liability companies. The Nairobi City Water and Sewerage Services Company Limited is one such water services provider licensed by the Nairobi Water Service Board.

ABOUT THE NAIROBI WATER AND SEWERAGE SERVICES COMPANY

The desire of Nairobi residents for the removal of water services provision from the NCC became a reality in 2004 when the Nairobi City Water & Sewerage Services Limited (NWSC) was incorporated as a private company limited by shares, with the purpose that it takes over the functions and assets of the NCC Water and Sewerage Services Department.

The company's prime object is to provide water services within the city of Nairobi pursuant to the provisions of the Water Act (2002). Pursuant to the said Act, the company operates as an agent of the Nairobi Water Services Board. It is the Board which holds the licence for the provision of water within the City of Nairobi. The benefits of this licence have been made available to NWSC by way of an agency agreement which established a framework for delegation of the license. In consideration for the benefits of the license, NWSC assumed a number of responsibilities which include its covenants to ensure adequate and quality potable supply of water at affordable tariffs and an obligation to improve water and sewerage infrastructure for the City of Nairobi.

Though the shares in NWSC are held by the NCC directly and by the Mayor as trustee, NWSC operates autonomously from the NCC. It is run by a Board of 12 Directors drawn from private sector organizations and professional bodies in addition to Officers of the NCC.

By May 2004, NWSC had taken over the functions of the Water and Sewerage Services Department of NCC. It also inherited 2,200 staff and the operational structures of the NCC Water Services Department. In August 2004, NWSC recruited a team of 6 professionals whose overall responsibility was the reformation of water service provision to improve its accessibility, availability and affordability. With the said objectives, the professionals were mandated to run NWSC in an efficient and profitable manner and to correct the shortcomings of the NCC Water and Sewerage Services Department.

The management and Board of Directors of NWSC soon came to realize that there were constraints to the objective of operating NWSC as a quality delivering, commercially viable and service conscious outfit. Partly to blame was the perception or reality of corruption within the organisation carried over from NCC practices.

TERMS OF REFERENCE OF THE STUDY

To address the corruption problems within the organisation, the Board of the NWSC, approached TI-Kenya to conduct a pilot survey of the company's structure and operations to identify corruption hot-spots and risk areas. The terms of reference agreed upon were as follows:

1. To conduct an assessment of the operational aspects of NWSC with a view to identifying and documenting the nature and drivers of corruption within the organization;
2. To identify the operational structures and or procedures/practices within NWSC that either enhance or impede corruption within the organization;
3. To investigate the perception of corrupt practices within NWSC as viewed by the consumers and suppliers to the NWSC;
4. To identify the experience of consumers, suppliers and other persons dealing with NWSC with regard to the extent of corruption within NWSC;
5. To identify the departments and or personnel most prone to corrupt practices and the perceptions of the concerned personnel with regard to accusations of corruption;
6. To seek to identify modalities for building up an Integrity campaign within the organization;
7. To examine the extent to which corrupt practices are a contributory factor into disputes between NWSC and other parties such as suppliers and consumers;
8. To seek to elicit from the consumers a comparison between NWSC and other utility providers with regard to integrity measures;
9. Examine the efficacy and preparedness of NWSC to corruption related disaster.



FINDINGS OF

The Study

FINDINGS OF THE STUDY

The methodology of the study is given in more detail in Appendix 1 of this Report. A questionnaire was administered to 90 respondents comprising: water supply consumers (both domestic and institutional), business associates of the NWSC and employees of the NWSC. They were asked about their experiences with corruption (if any) within the organization

CATEGORY OF RESPONDENT	NUMBER INTERVIEWED
NWSC EMPLOYEES (Including CEO,HODs & other staff)	35
Institutional Consumers	10
Domestic Consumers	35
Suppliers & Business Associates	10
TOTAL	90

INTERVIEWEES

Employees of the NWSC inherited from NCC

The purpose of interviewing these employees was to find out the internal environment of the NWSC with regard to incidences of corruption. It was also intended to consider, in comparison with NCC, the attitude to allegations of corruption within the Organization and methods of dealing with the same.

The New Employees of NWSC

These provided an insight into the culture of the NWSC with regard to its mission and in contrast to the previous category of employees regarding their perceptions of incidences of corruption within NWSC and the initiatives of dealing with it. This group included also the heads of departments of the NWSC as well the Chief Executive.

Consumers of water services within Nairobi

This was the largest category because they are considered to be the main recipients of the services of NWSC. They are best placed to give objective views on its performance and integrity not only within itself (by comparing the various departments), but also in comparison with other utility service providers.

Suppliers and Business associates

These were included in the study to provide a perspective of their experiences with NWSC not only as business associates but also in comparison with other businesses with which they deal.





A. FINDINGS FROM WATER CONSUMERS

As mentioned above, NWSC supplies water to many kinds of users within Nairobi. The study divided these consumers into two main categories:

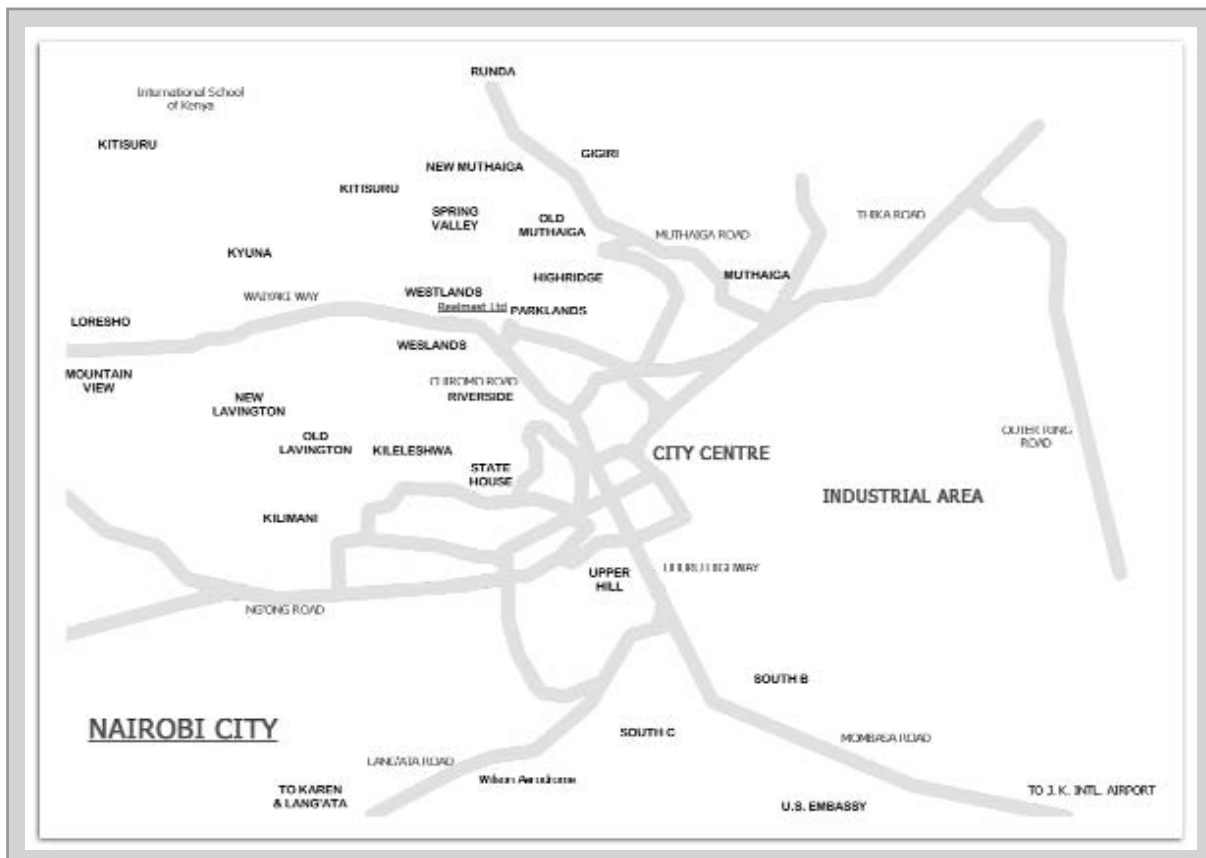
- i) Domestic consumers - referring mainly to households;
- ii) Institutional consumers i.e. organizations such as health-care institutions, catering establishments, offices, factories, educational institutions and religious bodies.

This method of separation was based upon the hypothesis that the experiences of institutional and household consumers would be different owing to the divergence of their needs for water services. Indeed this hypothesis was borne out by the findings.

For research purposes the City of Nairobi was divided into five main geographical zones:

1. **Nairobi South:** Langata, Otiende, Karen areas;
2. **Northern Zone:** Muthaiga, Parklands, Gigiri and Runda;
3. **Eastern Zone:** Buru Buru, Umoja, Komarock, Donholm;
4. **Western Zone:** Nairobi west, Fedha Estate and the upper parts of Industrial Area;
5. **Central Zone:** City Centre, Upper Hill, State House areas, Hurlingham and adjacent areas on Ngong Road.

The Questionnaires were administered to a similar number of respondents either resident in the areas (for domestic consumers) or whose business or work-places are located in those same Zones (for institutional consumers).



DOMESTIC CONSUMERS AND THEIR EXPERIENCES WITH NWSC

Corruption Experiences

Interviews with 35 domestic consumers sought to elicit their attitude towards the NWSC and the services it provides to them. In particular, they were asked about any experiences they had had relating to corruption in the NWSC and/or in its predecessor organization the Water & Sewerage Department of the NCC.

1. All respondents were categorical that they had experienced or heard of credible complaints of corruption within NCC Water & Sewerage Department. These included the personnel taken over by NWSC from NCC Water & Sewerage Department;
2. Fewer respondents had corruption experiences with the NWSC. 62.8% said that they had experienced or witnessed an act of corruption in the last one year preceding the interview.

Reliability of Meter Readings and Billing

The study sought to examine the relation if any between the regularity of the water meter readings and receipt of Bills by the consumers. The intention here was to test whether there is a link between the accuracy of Bills and the customers' willingness to pay.

While over 88.5 % of the respondents stated that they had functional water meters, only 42.8 % said their meters are read on a monthly basis.

Only 8.6% record readings of their Meters for comparison with the Bills they receive.

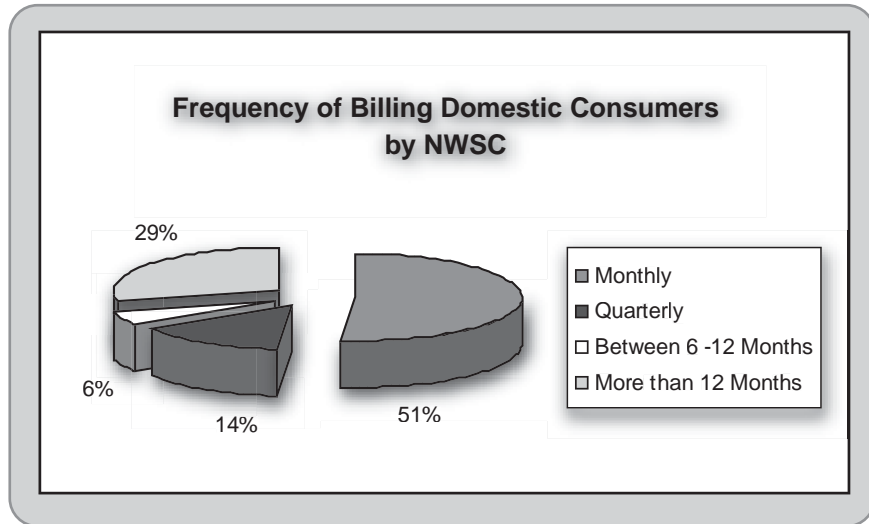
Frequency of Billing(last six months)

Never	Once a Month	Quarterly	Annually
28.5%	51.4%	14%	3%

At least 51.4% of the respondents stated that they had received their Water Bills on a monthly basis in the 6 months preceding the interviews.

It was of concern that though 28.5% of domestic respondents had never received a water bill at all since they assumed occupation of their residences, none of them indicated that their water had been disconnected at the time of the study. The average time of occupation was 4 years although there were respondents who had been in occupation for up to 10 years without ever receiving a water Bill.





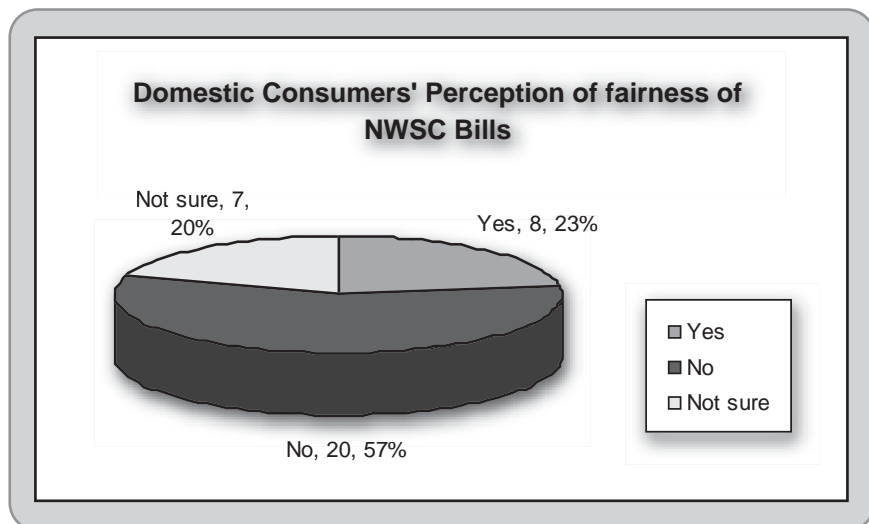
Frequency of Payments by Consumers (last 6 months)

Never	6-12 months ago	2-6 months ago	Last month
31.4%	22.9%	8.5%	37%

Clearly, there are gaps in the billing and credit control of NWSC which could be exploited for corrupt purposes with resultant loss of revenues.

Do Bills Represent Actual Consumption?

1. Only 23% of the respondents felt that their Bills represented an accurate and fair indication of their consumption of water. 57% said that the Bills were unfair.
2. 20% were unsure as to whether the Bills were unfair or not. This last category said that they simply paid whatever bills they received to avoid disconnection.
3. All domestic consumers who took their own meter readings on a regular basis (8.6%) stated that the bills were unfair and did not represent their actual consumption of water.



The study detected a perception among most of the consumers that the Bills sent to them are just estimates not justified by consumption at all. To support this view a few of the domestic consumers stated that the Bills remained within a variation of 10-15% and did not seem to decrease when, for instance, the occupants were away from the premises on holiday, when there was no consumption whatsoever.

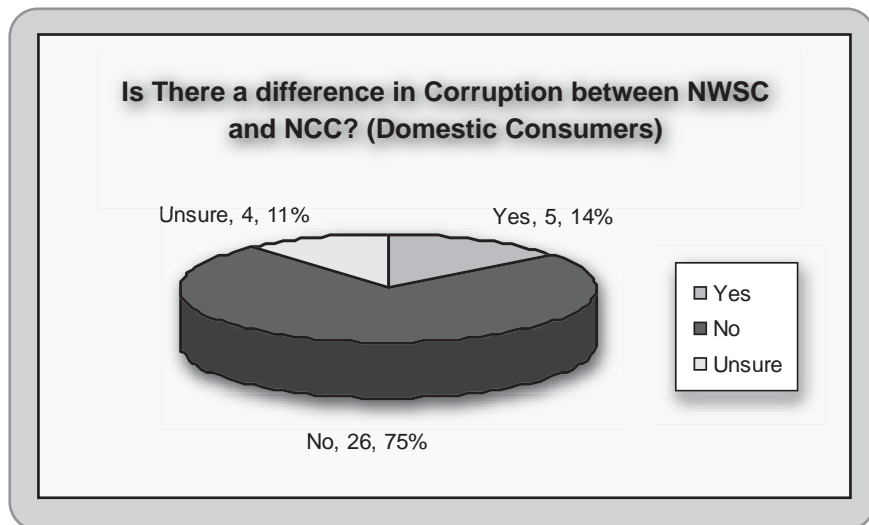
Corruption Experiences

Though respondents were generally agreed that incidences of corruption had decreased in NWSC as compared to NCC, at least 62.85 % indicated that they had nevertheless witnessed or been party to a corrupt act relating to an officer of NWSC in the year preceding the study.

The category of Officers involved in this kind of corruption was mostly junior officers e.g. water disconnection technicians and clerks at counters.

74% of the respondents still thought that on the whole there was not much difference between NWSC and NCC in terms of corruption within the ranks of its Officers.

14.2% indicated that they felt that NWSC provided an atmosphere less tolerant to corruption as compared to NCC. The remainder could not say whether there had been a difference or not.

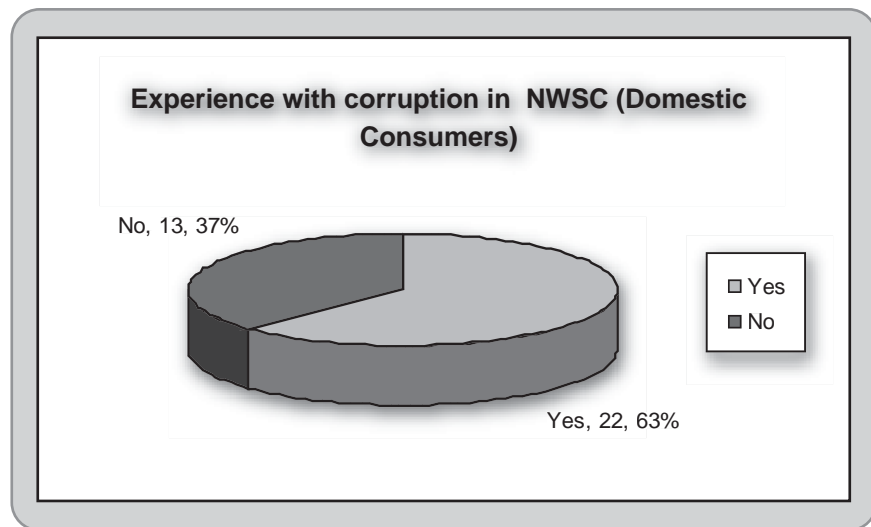




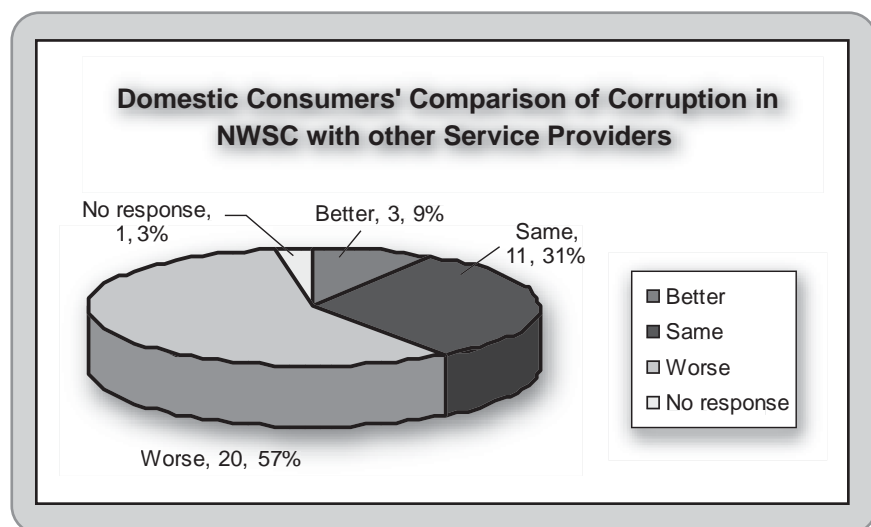
Forms of Corruption

The major kinds of corruption experienced by the respondents in this category were extortion for small bribes either to avoid disconnection or to get reconnection, solicitation for bribes for illegal water connections, or in the case of clerks, to get documents and records or sometimes to get solutions in the case of inflated bills.

The respondents also indicated that the company was guilty of extortion in that it intimidated consumers with the threat of disconnection whenever the accuracy of its Bills was challenged. This corporate attitude made the company's officers unwilling to resolve the concerns of the consumers and resulted in several cases of overpayments.

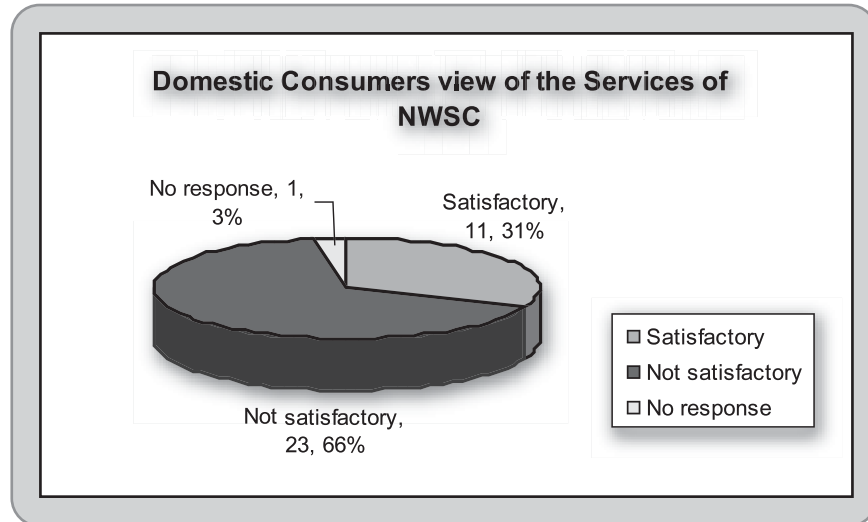


In comparing incidences of corruption within NWSC with other service providers, 31.4% thought it was better; 9% thought NWSC was just the same while 57% stated it was more corrupt or worse. One interviewee did not respond to this question.



Domestic Consumer Satisfaction

On being asked whether they were generally satisfied with the services rendered by NWSC, 31.4 % were satisfied, 65.7% expressed dissatisfaction. Two thirds (67%) of those who were dissatisfied indicated corruption and inefficiency as the main reason for their discontent.



Domestic Consumers in Dispute with NWSC

Most domestic consumers (about 83%) said that they did not know who to contact if they had any complaints or queries even though they were aware that NWSC had taken over Water Services from NCC.

In fact the consumers felt that they did not find NWSC officers either friendly or amenable to inquiry. This can be supported by the fact that only about 21% of domestic consumers admitted to paying their bills by themselves. The remainder paid through agents, such as relatives or employees. They stated that it took too much time and was therefore delegated to agents (with connections at NCC and NWSC) or relatives who had the time to go from desk to desk or from officer to officer seeking a solution.

The interviews also sought to find out from the consumers whether any of them had any disputes with NWSC.

1. About 26% of the respondents indicated that they had disputes with NWSC and/or NCC during the last 5 years. The disputes related to unfair Bills and absence of previous payments on invoices due to poor record-keeping by the suppliers;
2. The duration of the disputes was 2-3 years although there was an instance of a dispute that remained unresolved after 8 years;
3. Due to the frustrations the consumers were resigned to their fate and paid up the sums they were disputing to avoid disconnection.

INSTITUTIONAL CONSUMERS

Respondents in this category included educational, religious, commercial and industrial establishments distributed equally between the five main geographical zones into which Nairobi had been divided for the purpose of this study.

There are at least three major differences between domestic and institutional consumers.

Firstly, institutional consumer respondents had received water from Nairobi water providers for longer time-periods ranging from 2 to 49 years. (The average time of occupation of premises of the institutions surveyed was 12 years).

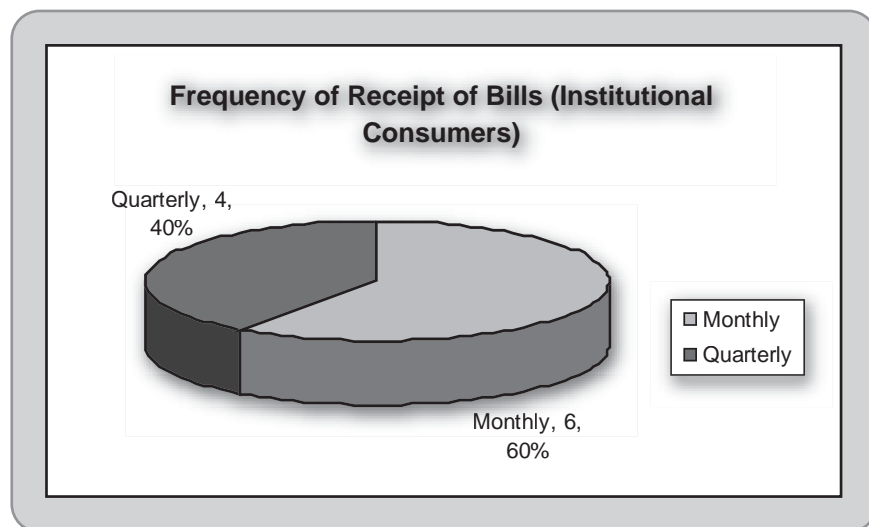
Secondly, they generally consumed more water than the domestic consumers.

Thirdly, it would seem that their meters are read more regularly: For instance;

1. 6 of the 10 respondents in this category confirmed that their meter had been read in the month preceding the study;
2. 4 had the reading taken at least once in the last quarter before the study.

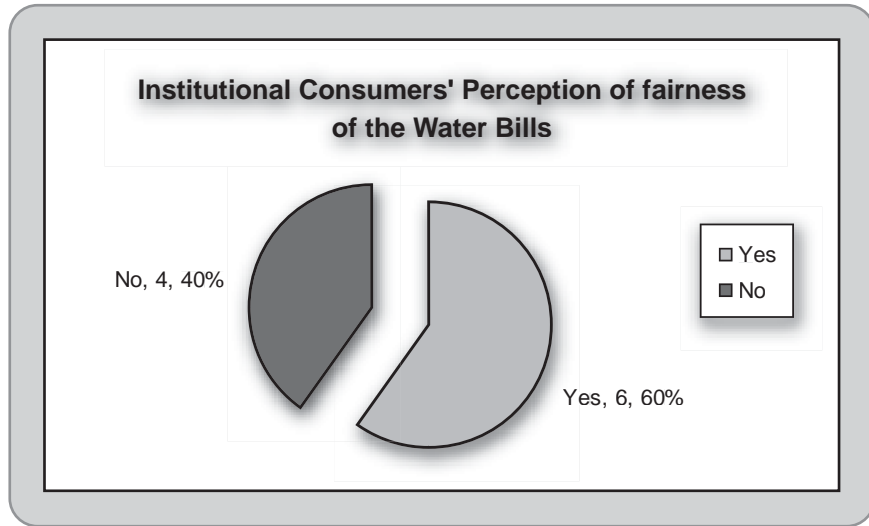
With regard to water bills:

1. 6 of the institutional consumers had received Water Bills on a monthly basis;
2. 4 had received their Bills in the last 2-3 Months.



All the institutional consumers had functioning water meters.

1. 8 of them took their own meter readings on a regular basis;
2. 7 had received and paid their bills within the last 1 month;
3. 2 had paid their last water bill in the last 2 months;
4. The final tenth had paid their bills in the last 3-6 Months preceding the study;
5. 6 of the institutional consumers were satisfied that the Bills they received represented a fair representation of their consumption;
6. The rest felt their Bills were not fair and were too high compared to their consumption. This needs closer examination because nearly three of the four who thought that the bills were unfair were actually those who took independent readings on a regular basis.

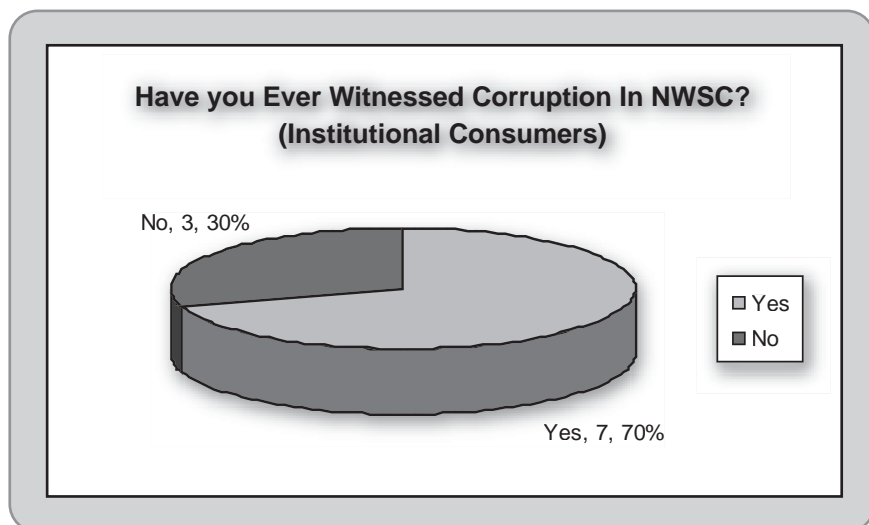


Half the institutional respondents have had their water supply disconnected at least once since they took occupation of their premises. Those whose supply had been disconnected stated that this was caused by disputes over inflated bills or bills which did not reflect the actual consumption. They all had to pay to get the reconnection despite their insistence that they had not been in default.

A small but relevant number, about 10%, indicated that the disconnection was on account of their resistance to attempts by some NCC officials to extort bribes from them following a challenge to inflated bills.

7 of the institutional consumers had witnessed an act of corruption relating to the Water services. This took the form of extortion by the threats to disconnect water supply with the intention of:

1. Obtaining bribes;
2. Delay in providing services or enquiries to facilitate payment of bribes;
3. Failure and/or refusal to deal with complaints or queries regarding irregular bills;
4. Deliberate inflation of bills with a view to soliciting bribes to correct the errors;
5. False accusations of interference with the functioning of water meters to induce bribes so as to avert adverse action;
6. Deliberate and fraudulent diversion of payments made to other accounts;





7. 6 of the 10 respondents in this category stated that the corruption they witnessed related to junior officers ;
8. 4 of the respondents stated that virtually all categories of staff were involved in corruption but the incidences were higher with the lower levels because of frequent contact with consumers;
9. Indeed, the experience narrated by one respondent was that some of the staff of NWSC were so callous in resolving a dispute with NCC that attempts to see senior officers were frustrated by the fact that larger bribes were demanded by officers in higher ranks. The customer had then given up and paid the inflated bill.

The institutional consumers were almost evenly divided on the question as to whether there had been a difference in incidences of corruption since NWSC assumed the water supply from NCC.

1. Those who thought there was improvement were largely influenced by the fact that there seemed to be less tolerance to corruption within NWSC and that requests for bribes were not as open or audacious as previously;
2. On the other hand, the fact that most of the staff in NWSC were inherited from NCC was taken as proof that the culture of corruption and impunity was transferred to NWSC from NCC by those who saw no difference.

On the question seeking comparison between NWSC and other utility and service providers:

1. 70% of the respondents sated that NWSC is more corrupt.
2. 30% thought NWSC was the same or better.

This implies that most of the respondents believe that NWSC is more corrupt than the average service provider in this Country.

Satisfaction with the quality of service

1. Only 20% of the institutional respondents expressed satisfaction with the quality of services offered by NWSC;
2. The overwhelming majority of 80% were extremely dissatisfied with the services.

Some of the reasons for this dissatisfaction ranged from the quality of the water to the absence of adequate supply in addition to the frustration due to excessive billing.

1. Half of the respondents stated that they did not get adequate supply and that their establishments were subject to regular water shortages. They were forced to seek alternative sources of water such as bore-holes or to make purchases from other sources to keep their premises adequately supplied. Notwithstanding the water bills remained relatively constant and did not reflect the fact that their consumption varied from time to time;
2. As mentioned above, 60% of the institutional consumers were still convinced that the bills were fair although most still believed that the bills were generally based on estimates.

Complaints

1. 65% said they did not know of a particular Officer to whom they could go if they had queries or complaints;
2. 10% stated that they would not bother approaching any of NWSC's officers if they had a complaint or query; they resorted to report to the Kenya Anti Corruption Authority Commission or to Advocates.

This category of respondents consisted of those who had problems with NCC previously and they felt that no respite came from their efforts of trying to resolve disputes.

4 of the institutional consumers confirmed having been involved in a dispute with NCC.

The main reason for these disputes, was that the bills were either inflated and/or previous payments had not been reflected in the bills. The common example of failure to reflect payments was that payments made were often deflected by NWSC/NCC Officers to other Accounts with the collusion and or connivance of officers within the NWSC.

More than half of the disputes had not been resolved for at least 2 years and the customers had been compelled to pay the inflated Bills to keep their establishments running. None of the disputes was solved to the satisfaction of the consumers, most of whom abandoned the matters owing to lack of response from the officers in the water Department.

A considerable number of them felt helpless and at the mercy of the NCC, and now NWSC, because they could not detect any difference between the NCC and NWSC in terms of the attitude of the Officers or their work ethics.

The inaccuracies in the Bills are difficult to sort out since NWSC does not have a designated officer known to the Public with the authority to deal and resolve the complaints. This was particularly exasperating to the institutional consumers as they found the attempts to deal with NWSC particularly time-consuming.

The institutional consumers felt that they were mostly targeted by the NWSC officers and technicians with the threats of disconnection with a view to extortion of bribes from them, particularly on the days preceding a weekend or a public holiday. About half of the respondent institutional consumers reported being aware of other establishments who had illegal water connections with the tacit or actual connivance of NWSC or NCC workers.

The absence of a "complaints procedure" for dealing with unethical conduct by NWSC's officers confirms the view that the NWSC would continue to operate in the same manner as NCC. In other words, the consumers felt that NWSC had so far failed to provide evidence that it is not merely NCC in a new outfit. The continued presence in NWSC of previously corrupt officers from NCC is very disturbing to the consumers.





Comparison of experiences of Domestic and Institutional Consumers

Some common responses are worthy of note:

1. That most (about 65%) of the consumers in aggregate (whether domestic or institutional) have witnessed acts of corruption relating to water services;
2. Most of the corruption experienced by the consumers related to the lower levels of employees of the NWSC or NCC;
3. 71% of the consumers (both institutional and domestic) were dissatisfied with the services relating to water;
4. 53.3% thought their Bills did not represent a fair record of their consumption;
5. 36% of the consumers had disputes with regard to their water Bills
6. 67% of the consumers have grave doubts about the reliability of NCC and NWSC record-keeping;
7. All the consumers with disputes thought the NCC/NWSC was solely responsible for the dispute owing to inflated bills and poor records keeping;
8. None of disputes were resolved to the satisfaction of the consumers;
9. All the consumers who had disputes thought that NCC and NWSC were extremely evasive in dealing with complaints or queries.

However, there were discernible but important differences between the responses from the domestic and institutional consumers:

1. More institutional consumers take their own water Meter readings as opposed to the domestic consumers of whom a minority do so;
2. 60% of institutional consumers were satisfied that the Water Bills represent a fair and accurate reading of their consumption;
3. 23% of the domestic consumers were satisfied **but** nearly 57% had grave doubts about the accuracy of their Bills.

However, it may also be that both experiences are accurate and that NWSC is keener in its dealing with institutional consumers than it does with the domestic consumers.

4. The institutional consumers receive their Bills more regularly than the domestic consumers:
 - i) 70% of them had received and paid their water bills in the last one (1) Month preceding the study;
 - ii) About 20% had paid their Bills in the last 2 Months prior to the study.

In contrast:

- i) About 37% of the domestic consumers had made payment in the month preceding the study.

This may be explained by the fact that institutional consumers generally consume more water than domestic ones with the implication that NWSC is led by the financial imperatives in dealing with its clients.

B. SUPPLIERS AND BUSINESS ASSOCIATES

This category of respondents consisted of the persons and institutions that do business with NWSC. The object of interviewing them was to find their perception of corruption in dealing with NWSC.

The respondents were chosen at random but with an aim of as wide a representation of Businesses as possible. A deliberate attempt was also made to get varied business sizes from the respondents.

All the respondents had been dealing with NCC for varying periods:

1. 2 out of the ten respondents had dealt exclusively with NWSC having been dealing with it for less than 1 Year;
2. 2 had been dealing with NCC and now NWSC for about 2-4 years; and
3. 6 had been dealing with NWSC and NCC for periods in excess of 5 Years.

The study sought to find out from the respondents what percentage of their business turnover was conducted with NWSC:

1. 8 of the respondents stated that NWSC was a source of between 1-25% of their business turnover;
2. 10% dealt with NWSC for about 51-75% of their business turnovers; and
3. 10% said NWSC was the source of at least 75% or more of the business turnover.

On the question of how they identified business opportunities with NWSC:

1. 6 said that they learnt about business opportunities with NWSC through advertisements in the print media; and
2. 3 respondents learnt of business opportunities from sources within NWSC.

This raises a basic question of conflict of interest on the part of NWSC staff and would suggest that some of NWSC staff could have selected tender applicants to whom they give insider information. This could result in procurement fraud or, at the very least, unprofessional practice.

Asked how they rated NWSC as business partners:

1. Half rated NWSC as a very good or good organization to do business with. It later emerged that all of those who rated NWSC as a very good institution for business were the same ones who obtained inside information;
2. 3 of the respondents thought that NWSC was moderate as a business client; and
3. 2 thought it was bad.

None of the respondents gave a response of very bad even though that option was available as an answer. Those who stated that NWSC was a bad business associate stated the lack of transparency in tender procedures as a main reason for their response.





Difference between NWSC and NCC

1. 8 of the respondents were clear that NWSC was definitely a much better client as compared to NCC;
2. 1 of the respondents said there was no difference between NWSC and NCC; and
3. 1 could not proffer an answer to the question as they thought that NWSC was still too new for them to give an objective response.

Once again, none of the respondents stated that NWSC was worse than NCC. This could be taken as clear evidence that NWSC is on the whole a better business client than its predecessor.

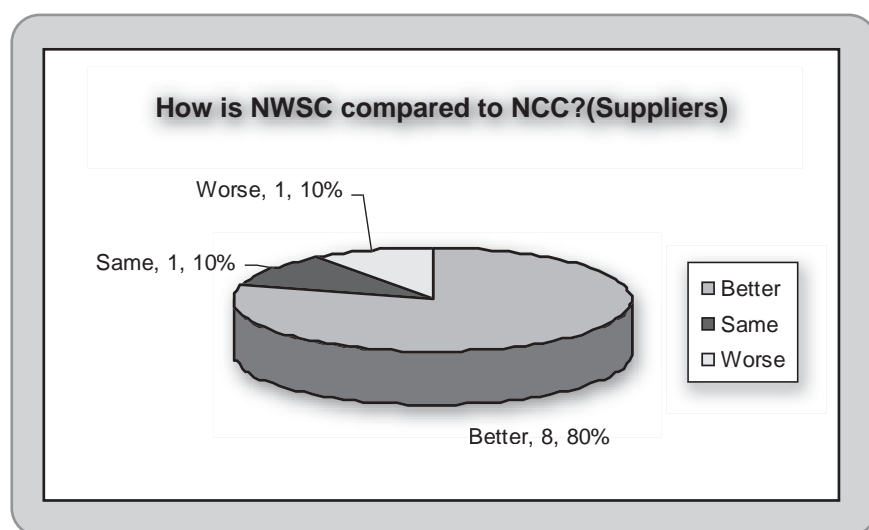
Asked what departments they found easiest to deal with:

1. 4 said they found Finance department particularly helpful and friendly;
2. 2 chose Technical department;
3. 2 thought the Administration department was the most customer friendly; and
4. 2 chose other departments not listed above.

The popularity of the Finance department is not surprising coming from suppliers and business associates.

It will come as a relief to NWSC's ethics and integrity efforts to note that none of the respondents admitted to having been a victim of an act of corruption in their dealing with the company. This implies that none had had any experience of corruption in their dealings with NWSC.

However, without appearing to diminish the credit to NWSC it is necessary to point out that the company had hardly been in existence for 9 months at the time of interviews. It is not unlikely that corrupt practices may emerge from the woodwork as soon as the company is bedded or the (NCC) corruption networks have been revived. It is also important to reiterate that suppliers have a financial stake in NWSC and may not feel inclined to jeopardise future business opportunities.



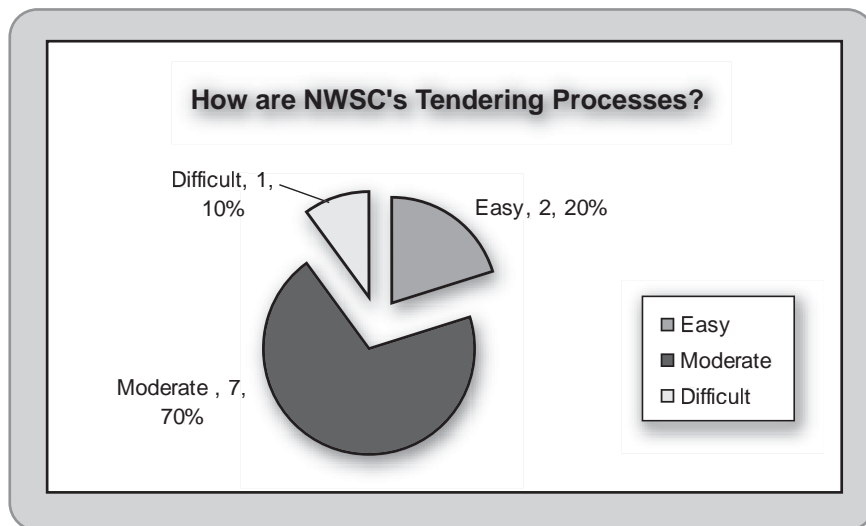
The study then sought to know whether the respondents had any awareness of NWSC tendering and procurement procedures:

1. 6 claimed they were aware but admitted that they still sought clarification and assistance from time to time; and
2. 4 stated that they were not aware of any specific procurement procedures in NWSC.

On the whole, the respondents stated that they simply relied on insiders to assist them with the processes.

Asked to rate the procurement process as either Easy, Moderate or Difficult:

1. 1 respondent said they were extremely difficult to understand and admitted they always engaged insiders to navigate the processes for them;
2. 7 of the respondents found the processes moderate; and
3. 2 responded that the processes were easy to understand.



The respondents were further requested to indicate which Departments they found easiest to deal with:

1. 4 of the respondents cited the Finance department as particularly helpful and friendly;
2. 2 chose the Technical Department;
3. 2 thought the Administration Department was the most customer friendly; and
4. 2 chose departments other than those mentioned above.

The popularity of the Finance Department may not be surprising since the suppliers to NWSC deal to a considerably large degree with the Finance department when pursuing their payments.

It will come as a pleasant surprise to NWSC's ethics and integrity efforts to note that none of the respondents admitted to having been victim to an act of corruption in dealing with NWSC yet:

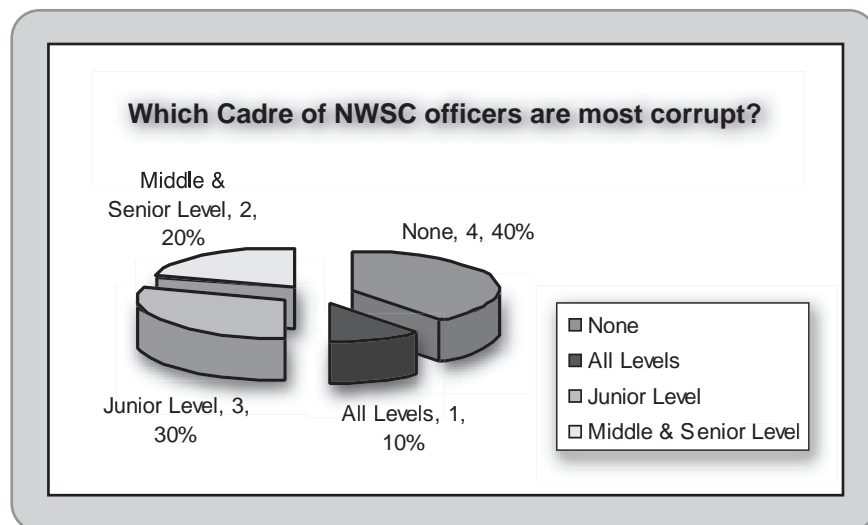
1. 8 of the respondents had been victims of an attempt of a corrupt act with regard to NCC; and
2. 2 who had never witnessed corruption at NCC were those who had never dealt with it.



When asked to mention the level of staff who were corrupt, 4 of the respondents stated that they had never experienced corruption within NWSC and were unable to provide an honest answer to that question. One felt that corruption run across all levels of staff, 3 stated that the junior officers (clerks particularly) were the most prone to corrupt activities. 2 stated that the middle and senior levels were the most corrupt within NWSC.

When asked to mention the level of Staff who were corrupt:

1. 4 stated they had never experienced corruption within NWSC;
2. 1 felt that corruption ran across all levels of staff;
3. 3 stated junior (particularly clerks) were most prone to corrupt activities; and
4. 2 said middle and senior were most corrupt.



Comparison of NWSC and NCC by Suppliers in terms of corruption

An attempt to get suppliers to draw comparison between the two elicited these results:

1. 10% could not compare NCC and NWSC since they had never dealt with the former;
2. 30% were fervent that there was a significant reduction in incidences of corruption subsequent to the takeover of water supply services by NWSC; and
3. 60% stated that there was a slight decrease.

To the commendation of the NWSC, no respondent stated that there had been an increase, despite the availability of such a choice in the questionnaires.

Overall 9 of the suppliers were positive that there had been a decrease in corruption since NWSC came on board. None of them thought there was an increase at all. This leads the study to make the bold statement that the transfer of operations for water supply to NWSC had been perceived as a positive one by its suppliers.

To verify the attitudes of the suppliers they were asked to rate NWSC as business partner/associate *vis-à-vis* other businesses that they deal with.

1. 6 of the respondents stated that NWSC was less corrupt than most of their other business sources; and
2. 4 rated it as the same.

None of the respondents thought that NWSC was more corrupt than any of its other business associates.

Finally the suppliers gave NWSC a vote of confidence when they all stated that they would like to continue dealing with NWSC if given a chance.

The following observations drawn from the responses may be relevant to this study:

1. That on the whole there is tacit admission that there may be lack of transparency and, arguably, corruption in the way tenders are awarded considering that some suppliers admitted to having inside information for business opportunities;
2. The tendering and procurement processes of NWSC are moderately simple but could still be made simpler;
3. That there is a reduction of the incidences of corruption with regard to the water services since NWSC took over the operations from NCC;
4. The suppliers find NWSC a good business partner and are keen to continue dealing with it.

It is evident that the experiences of the Suppliers contrast sharply with those of the consumers in respect to perception and incidences of corruption within NWSC. On one hand the Suppliers, receivers of money for goods and as they are keen for further business, may consciously overlook corruption or may themselves be beneficiaries of it. On the other hand, the consumers pay cash to NWSC and expect services in return. Should services fall short of expected results they feel short-changed.

It is also obvious that both the domestic consumers and Suppliers deal with different officers at different levels.





C. AN INTROSPECTIVE VIEW OF NWSC: The Employees

It was considered necessary to get an internal view of NWSC through the eyes of its employees based on their experiences with corruption and also to get insights from their responses to public perceptions of corruption.

The respondents were selected by random sample to ensure that all levels of the employees were interviewed and also to ensure that all Departments were represented but weighted in proportion to their numbers. Moreover the sample frame ensured that the Chief Executive of NWSC and all departmental heads were interviewed to ascertain their attitude of the perception of corruption and challenges faced.

The sample also included a category of new employees who had no experience of the outfit during NCC administration. These were under 10 in number and they were all interviewed. The purpose was to establish their views and perception of NWSC ethics and integrity initiatives. The interviews were conducted over a period of 3 weeks in their respective offices.

The first question in the study sought to find out the employees' perception of the integrity of NWSC:

1. 93% of all the employees admitted that the complaints about inefficiency and corruption against NWSC were justified; and
2. 7% felt that the allegations of corruption were unfounded and consisted of newly recruited staff after the transfer of services from NCC.

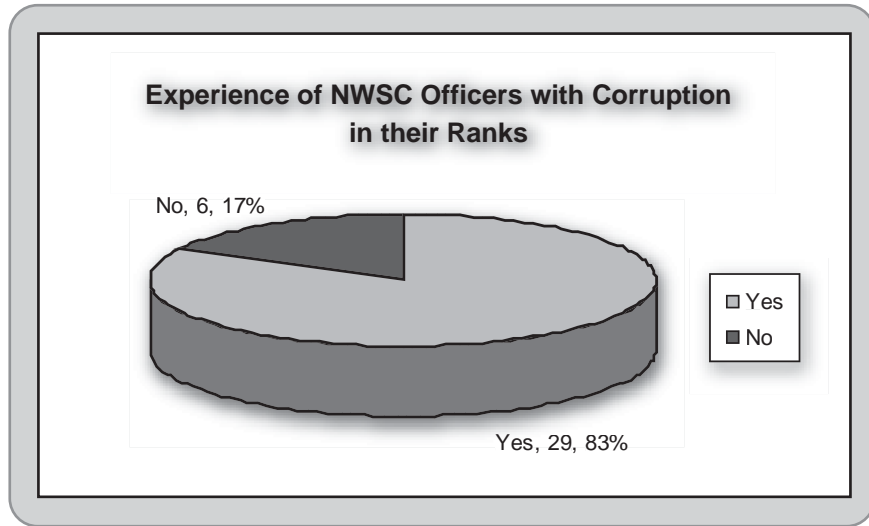
When asked for their views on whether the incidences of corruption had been on the increase or had dropped, all but one of the staff interviewed said that the corruption had dropped since NWSC was constituted and assumed the role of water services from NCC. That person said a comparison was not possible because he had never worked in NCC.

The prime reason for the reduction, the respondents stated unanimously, was that the management of NWSC had been outspoken that corruption would not be tolerated. It is to their credit that staff were now clear that the audacity with which corruption was practiced in NCC would not be tolerated and had shown that it would take action whenever evidence of corruption emerged. Examples were given of prosecutions taken, reports to the Law enforcement authorities, warnings, dismissals and demotion.

Some felt however that the action taken in some instances was feeble, though a clear statement had been made that the culture of undisguised corruption, previously practiced in NCC, was not to be tolerated at the same levels any longer:

1. 83 % of the employee respondents had stated that they had witnessed or heard of an act of corruption involving a member of staff within NWSC; and
2. 17 % said that they had not.

Those who denied having heard of corruption were the staff who had no experience with NCC. Asked about how they had come across information on corruption, majority of the staff (about 64%) stated that they had witnessed other members of staff engage in corrupt acts. The remainder said that they had not witnessed corruption themselves but had just heard of it.



In relation to anti-corruption policy:

1. 71.4% of senior staff admitted to having discussed some corruption guidelines generally with their supervisors though informally; and
2. 29.6% who had never discussed anti-corruption guidelines generally were mostly junior staff.

This means that there is communication problem within NWSC with regard to its ethics and integrity efforts. However, there was proof that corruption strategies were discussed because staff admitted that they had encountered some education efforts, in an informal manner, though the messages were perceived as coming from departments as opposed to a specific company policy.

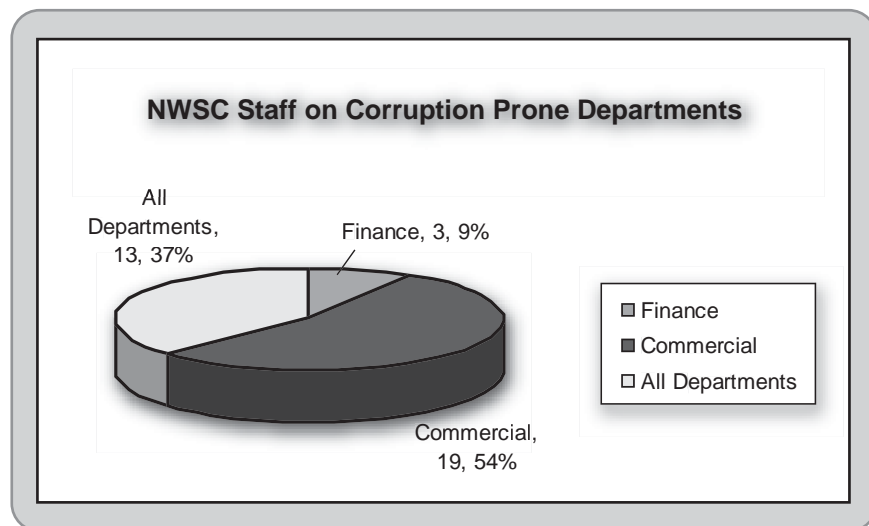
To establish whether there existed procedures to follow should staff come across an allegation or evidence corruption:

1. 53.8% said that they would report to their superiors or Heads of Department; and
2. 38.8% said that they did not take any action the last time they witnessed an act of corruption because they felt no action would be taken or that the persons involved were more senior and therefore immune.

The others were divided between reporting to/or informing the Law enforcement agencies or simply warning the party concerned. None of them knew how they could involve the ethics and integrity committee if they witnessed an act of corruption.

In our effort to identify the Department most prone to corrupt activities within NWSC:

1. 54% of the employee respondents pointed at the Commercial Department;
2. 9% stated that the Finance and Purchasing Department was most culpable; and
3. 7% stated that the organization's corruption profile ran through all departments.



Causes of Corruption

Opinions of employees who admitted to having witnessed corruption were sought on the causes of corruption amongst the corrupt employees:

1. 61% stated that the poor pay was the major reason for the incidences of corruption;
2. 27% stated that corruption was caused by the culture of poor supervision inherited from NCC; and
3. 2% of the employee respondents gave greed as the reason.

In general, the staff felt strongly that this culture would not be eradicated in a long while because the Management of NWSC, had upon taking over the staff from NCC, assured them that no one would be dismissed for about 1 year. It is thought that this provided security to the corrupt staff in the short term.

Secondly, in an attempt to find out why it was thought that the junior staff were most prone to the commission of corrupt acts, the majority stated that there were huge wage gaps between the middle and senior level of the staff and even wider gaps between those levels and the junior staff.

Thirdly, with the notable exception of the senior staff (Heads of Departments particularly) all the other employee stated that there was an immense gap between the employees who were hired straight into NWSC and those who were previously at NCC.

This study was able to establish that this was a major reason for discontent and cause for the poor morale amongst the staff, with the result that the junior staff thought that the senior staff were better placed to resist corruption since they were better paid than the other category of staff. It was obvious that this discontent compromises the ethics and integrity efforts and initiatives of the NWSC management.

Conditions and Terms of Service

Against the foregoing, it comes as no surprise that:

1. 89.2% of the employee respondents stated that they were dissatisfied with their terms of service;
2. 10.8% who were generally satisfied with their terms of service consisted almost entirely (about 91.9%) of the heads of departments and the staff hired subsequent to the takeover from NCC.

Types of Corruption

The prevalent kinds of corruption reported by the staff of NWSC were those relating to solicitation of bribes, the misuse of office resources (e.g. stationery and office equipment) for personal benefit, allegations of ethnic based employment, proxy businesses with the NWSC by staff or their associates and trustees, among others.

The CEO and the Heads of Departments were asked whether the NWSC had a specific mission and vision with regard to NWSC. All answered in the affirmative and confirmed awareness of it and attainment of that corporate vision as a cardinal objective for their respective departments. The CEO and HODs all admitted the existence of corruption in the organization though none admitted awareness of it in their respective Departments.

The next question was meant to generate a response as to whether there was a requirement for themselves as well as other employees of NWSC to declare whenever they had a conflict of interest with regard to anything relating to the NWSC. Four of the five HoDs stated that they were aware there was such a requirement although it was not in the contracts of the employment.

Four of the HoDs agreed with the other employees that the Department most prone to corruption was the Commercial Department. The other denied awareness of any corruption at all within NWSC.

They all mentioned that there was an Anti-corruption, Ethics and Integrity Committee within NWSC, started in NCC before NWSC came into being. However half of them could not mention how regularly it met or whether it had met at all since NWSC took over. As to the other staff, only 27% were aware of this Committee but none could indicate any effect of its efforts in the recent past.

We sought to know whether there was any specific officer of the company to whom all allegations of corruption on the part of staff could be directed but the only clear answer was that the instructions were that complaints be sent to the supervisors.

With regard to the existence of a customer Service Official to whom complaints by customers could be sent, only one of the HODs was aware of the existence of this Official and the Department in which he/she was based.

Questions were also directed at the HoDs and the CEO with regard to the procurement procedures of the NWSC. The responses largely supported the suppliers that procurement is done



by advertisement and that the guidelines are in accordance with World Bank guidelines on good practices for procurement.

However, there were differences in their responses with regard to the manner in which appeals or disputes from the Procurement committee are dealt with. Some of them had no idea on what would be done in the event that an award was challenged. About half of the HoDs stated that there was an appeals Committee within NWSC. The other 30% stated that the decision of the procurement Committee was final. This reveals the existence of misunderstandings on procurement procedures and confirms the Suppliers view that the NWSC processes were unclear and complex.

The responses obtained from the HoDs were contrasted by the responses of the consumers and the suppliers. The employees' responses were in concurrence with the consumers that there was corruption within NWSC in different forms.

In concluding this section, it emerges that the following poignant issues arise with regard to the employees' perception of corruption within NWSC and the attempts to deal with it:

1. There is an admission by the majority of the employees that corruption exists within NWSC;
2. The corruption seemed to be at all levels of the staff although the commercial Department is thought to be generally more prone to corruption than the others;
3. There had been a significant reduction in corruption amongst staff since NWSC took over from NCC;
4. There exists a culture of corruption devolved from NCC owing to the assurance by NWSC Management that no staff would be dismissed for at least 1 year; Poor remuneration and disparate compensation systems within NWSC remains a major contributor to the low morale which feeds to corruption within the lower echelons of the staff;
5. Most of the staff in the middle and higher levels had had discussions with their superiors with regard to NWSC's anti-corruption mission, albeit informally;
6. The anti-corruption guidelines within the organization are unclear and generally unknown to the lower cadre of staff. (However, to the credit of the management of NWSC, a Code of Ethics for the Board of Directors and a Code of Conduct for Employees were being developed almost simultaneously within the period of this study);
7. The Integrity and Ethics Committee does not seem effective in carrying out the integrity and ethics policy of the NWSC, mainly because it is not visible to the staff;
8. The employees were unaware of the Officer, within the organization, with whom they could take up or report corruption incidences with, especially when their superiors were involved;
9. The one year moratorium from dismissal of employees from NCC was probably a good gesture. However, the NWSC management may need to rethink it in view of the replies that it has given a feeling of invincibility to some corrupt staff and may provide an opportunity to perpetuate corruption and time for concealment of past corrupt practices.

Conclusion

The responses from this study, although indicative, may be summarized as follows:

1. There is consensus that corruption has bedfellows within the NWSC. This is generally the case from the perspective of the consumers for whom NWSC is a service provider and not least, within its ranks where the personnel of NWSC admitted that there was corruption within its ranks;
2. There is agreement amongst the respondents that the incidences of corruption have dissipated considerably since NWSC took over the management of water supply services from the NCC although the perception is compromised by the almost wholesale absorption of NCC staff into NWSC;
3. The operational structures within the NWSC such as employment and hiring practices and procurement operations may aid corruption within the NWSC;
4. The consumers state that there are extremely bureaucratic hurdles within NWSC which foster corruption within its staff;
5. Corruption is manifest within all the departments and across all levels of the NWSC although the extent would be varied from one department to the next;
6. The administration of NWSC has started to build up and establish an integrity campaign which is generally appreciated within the organization as a major step but which needs to be shared with all personnel;
7. Most of the consumers engaged in disputes with NWSC generally blame corruption within NWSC and previously from NCC as the major contributors;
8. The consumers consider NWSC as generally more prone to corruption than other service providers in the country;
9. The consumers are dissatisfied with the quality of services offered by NWSC and have no faith in the records keeping of the NWSC;
10. The senior management of the NWSC is intolerant of corruption and has demonstrated this commitment to curb corruption within NWSC by action;
11. Staff inherited by NWSC from NCC is considered by many as an extension of the corrupt enterprises of NCC into NWSC. This militates against the public perception of NWSC efforts to fight corruption.

Recommendations



In the light of the findings of the study, it is recommended that NWSC consider taking the following course of action:

NWSC needs to intensify education of its staff with regard to the company's mission generally and in particular, the application of ethics and integrity policy. This can be done by involving all staff in regular departmental or sub-departmental meetings and updating them on the progress made in implementing the ethics and integrity policy.

NWSC must ensure that regular reference is made to the Code of Conduct by reviewing it as often as possible and ensuring commitment to the Code as part of performance review for all staff.

The management of NWSC should also make deliberate effort to encourage transparency compliance by staff of the Code of Conduct. This may be done by complimenting and rewarding exemplary staff or departments.

The ethics and integrity mission statement must be ingrained in NWSC by making each and every member of staff an integrity and ethics officer. The objective here is to instil in all personnel their responsibility towards upholding the values of the organization.

The management of NWSC has been firm in taking action whenever instances of corruption were discovered. This momentum must be sustained and management must continue to make strong statements by taking prompt action whenever instances of corruption are uncovered.

In its effort to root out the NCC and allied public service culture, the management of NWSC should stress to its staff the fact that it is a commercial outfit and that customer satisfaction is a proof of the success of its business strategy. In this way, a customer care culture may be instilled in the staff as a way of tackling corruption and loss to the organisation. In this regard, it must be stressed to staff NWSC as a limited liability company would not be immune to legal actions which NCC (as a local Government body) was otherwise immune to.

NWSC must update its records and improve its record-keeping with particular regard to payments and accurate water meter readings urgently. Allied to this is the requirement for NWSC to ensure regular and uniform water meter reading for all its customers.

It is evident that poor remuneration and disparate treatment of staff is a major cause of discontent within the NWSC employees. Therefore, NWSC needs to promote equity in the treatment of staff by reducing the disparities in the terms of employment of staff as well as

provision of proper working facilities such as tools and equipment for staff in all categories. The fact that most of the NWSC staff were dissatisfied with their terms of service must remain in the NWSC management's radar-screen as an integral component of the anti-corruption and integrity platform.

The study noted that there is a considerable loss of revenue to NWSC on account of illegal connections, particularly to construction sites and domestic consumers. A strategy must be developed within NWSC to tackle this matter. An important starting point may be for NWSC to conduct a census of its water account holders and attempt reconciliations with its records. Thereafter and or simultaneously with the foregoing, NWSC must show a clear willingness and ability to deal with defaulters by taking legal and other action to recover the sums due to it. This could be supplemented by warnings to prosecute those with illegal connections and by ultimately prosecuting some cases to send the message of determination in this regard.

In addition, NWSC must ensure the consumers are aware of consequences of non-payment and illegal connections; that the regular payers actually underwrite the defaulters and call upon the payers to apply social pressure on the defaulters to begin paying and for the regular payers to report those involved in illegal connections.

NWSC must also take practical steps in dealing with disputes relating to allegations of inflated bills. There was the recurrent accusation that NCC, and now NWSC, took advantage of its water services monopoly status to insist on payment of inflated bills without records to justify the bills. A clear consumer liaison process and strategy towards resolving disputes should be introduced and explained to the consumers. In this regard, it is noted that NWSC has in recent times invited disenchanted consumers to visit its various offices to resolve these problems. This is a good and commendable initiative. The company should designate specific individuals to deal with disputes and complaints by the customers against it. This may stem some complaints and accusations of corruption which result from misunderstandings.

The study gathered that disputes resulting from inflated bills were a major cause for illegal connections, particularly for domestic consumers and that therefore NWSC was losing a lot of revenue from this category of consumers. It is proposed therefore that NWSC considers an "amnesty initiative" by publicizing a grant of rebates to all those with disputes subject to payment of certain proportions of their Bills within a given period. It is believed that this may help NWSC to recover a lot of revenue and may prove to be an incentive for those with illegal connections to take advantage of the rebates and get back to lawful consumption. For this to yield optimum effect, NWSC must develop a system that is efficient and mandate a specific panel of its officers to make binding commitments with the customers with regard to the amnesty.

In response to the charges that its procurement procedures were opaque, NWSC should revise its procedures to all its suppliers and business associates including complaints procedures to avoid the unethical cases of "insider information provision". It is noted that the Code of Ethics and Code of Conduct for the Directors and Senior employees respectively require them to avoid situations of conflict of interest in the course of their work. This is commendable but should be expanded to include all staff by requiring to declare it in writing whenever circumstances of



conflict of interest were to arise or are likely to arise. It is noted that this is already a requirement for Directors under the Companies Act but must be repeated in the Code of Ethics as a way of reminder of the gravity with which the NWSC considers the matter.

It was discovered that the corruption involving NWSC more often than not had a counterpart in an outsider, such as consumer. To stem this, NWSC must inform the public and all its consumers and business associates that it considers them its partners in the fight against graft. This will give the public the assurance that they can rely on NWSC to take action if corrupt practices are revealed.

It is proposed that NWSC develop and implement promptly, a disaster management strategy to protect it against possible risks and losses on account of fraudulent action on the part of its staff or other persons which may be intended to cover up incidences of corruption. In particular, the records that NWSC may have inherited from NCC may be exposed in this regard.

Finally, the fact that most of the customers were dissatisfied with the quality of services was a pointer to the defaults (particularly for the domestic consumers). NWSC must, in addressing this, develop and publish to consumers a "Consumers Charter" or charter in which it would commit itself to certain universal standards of water supply services including quality and supply standards. By so doing, NWSC would be holding itself out as a committed organization with regard to its customers' needs. That way, it would not only divorce itself from the culture of NCC, for which it is considered culpable by history, but it would then commit its staff to standards of care to which the public (whether consumers or business associates) would begin to assess its services. This Charter will assure the consumers and will provide them a useful tool for checking efficiency of the water provider to ensure that they get value for money and may help to reduce the proportion of defaulters.

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LEGISLATION

The Anti-corruption and Economic Crimes Act (No.3 of 2003)

The Companies Act (Cap.486 , Laws of Kenya)

The Local Government Act (Cap.265, Laws of Kenya)

The Water Act (2002)

The Public Health Act (Cap.242 Laws of Kenya)

The Exchequer & Audit (Public Procurement) Regulations, 2001.



APPENDICES

APPENDIX 1

THE METHODOLOGY OF THE STUDY

The Population of Nairobi is currently estimated at 3 Million, of which only half have direct piped water but not necessarily regular supply. NWSC estimates that only about 40% of those connected to water have supply on a regular basis.

During the study, 45 consumers with piped Water to their respective premises were interviewed. Although this number might be minute from a statistical perspective, the responses are largely indicative and were largely inline with the common experiences of water consumers within Nairobi and sufficient for the purposes of the study to examine whether there was indeed any corruption within NWSC. This was indeed corroborated by the staff of NWSC themselves.

For the purposes of the study, Nairobi was divided into five regions and selected an equal number of respondents for each region. Thus, for instance, we selected seven respondents from each of the regions with regard to the domestic consumers, making 35 in total. The same was applied for the institutional consumers. The domestic consumers were selected from the households selected randomly from each of the regions in which their residences were situated.

The interviews were conducted largely in English and occasionally in Kiswahili with the Research Assistants recording the responses on the Questionnaire.

The 10 suppliers and Business associates of NWSC who were interviewed were selected randomly from a list of about 50 given by NWS. The selection was designed to attempt and balance with regard to the respective services and goods which they delivered or rendered to NWSC. At the same time, regard was given to spreading the choices of interviewees to cover different periods of dealing with NCC and overlaps with NWSC.

The employees of NWSC were also interviewed from across all the Five Departments of the company with a selection of equal numbers from each department and regulating the selections to ensure that interviewees had served variant periods of time as well as in different levels in the organization. The CEO and HODs of NWSC were also interviewed on the basis of a Questionnaire similar to the other staff but with certain modifications relating to Policy questions pertinent to the TORs of the study.

The Interviews for the domestic and institutional consumers were conducted during the Month of April 2005. Those for the suppliers and the staff were conducted within the first two weeks of May 2005.



The questionnaires were administered by the Research Assistants and thereafter submitted to TI-Kenya on a daily basis. This was to facilitate checking by the designated TI-Kenya Coordinator for the study to check and pin-point any omissions and streamline any discernible errors.

The Questionnaires were then submitted for entry of the data and tabulation analysis for the compilation of this Report.

BREAKDOWN OF RESPONDENTS

CATEGORY OF RESPONDENT	NUMBER INTERVIEWED
<u>NWSC EMPLOYEES</u> (Including CEO,HODs & other staff)	35
Institutional Consumers	10
Domestic Consumers	35
Suppliers & Business Associates	10
TOTAL	90

APPENDIX 2

CEOs QUESTIONNAIRE

Introduction: I am working with TI- Kenya. We would like you find out from you about your experience with the Nairobi Water & Sewerage Services Limited. The main purpose of the study is to find out why the company is often accused of corruption and what may be done to address the problem. This will take about 15 Minutes.

1. Post at NWSC _____ Department: _____
2. Length of service with Nairobi City Council _____
3. Describe the work you do at NWSC _____
4. Does NWSC have a Corporate Mission/Vision ? Yes/No. If Yes, what is it?

5. Are the staff aware of this Vision/Mission ? Yes/No. _____
6. Have you ever heard or read about claims of Corruption at the NWSC _____
If yes, Do you think there is an increase or decrease in corrupt practices in the last 6 Months

7. Have you ever witnessed anyone perpetrate a corrupt act or practice while you are at work?
_____ If yes, What did you do about it?

8. How are personnel recruited in NWSC? (e.g. headhunting, advertisement, etc)

9. Do you have specific Employment Contracts with the employees of NWSC? Yes/No. If Yes, Do you have any clause or clauses prohibiting engagement in corrupt activities? Yes/No. _____
10. Is there a Code of Ethics or Regulations for employees of the NWSC? Yes/No. _____
11. Are there any Regulations requiring employees and Directors to disclose Conflicts of Interest in any dealings with NWSC? Yes/ No. _____



12. How do you make procurement in NWSC ? e.g. tendering, direct acquisition, etc

13. Does NWSC have specific Procurement and Supplies Regulations? Yes/No.
14. Who makes the decisions regarding procurement in NWSC? _____
15. Does NWSC comply with the Exchequer and Audit (Public Procurement) Regulations 2001 in its procurement? Yes/No If Yes, How often? Always (100%) / Often (75 % and above) / Rarely (50%)/ Sporadically (Less than 50% of the time)._____
16. Does NWSC have an Integrity Committee? Yes/No_____
- If Yes, when was it established? More than 5 Years ago/ 2-4 Years ago/1 year ago/last 6 Months.
- _____
- Who constitutes the Committee?
- _____
- _____
- _____
17. What are some of the functions of the Committee?
- _____
- _____
- _____
- _____
18. Does the Committee enjoy the Co-operation of the Personnel of NWSC ? Yes/No._____
19. How often do members of the Committee meet? Weekly/ Monthly/ Quarterly/ annually/ Other. If other, State it _____
20. Does NWSC have an anti-corruption Disaster Recovery Plan? Yes/ No.
- If Yes, in which Department/s and who is responsible for its implementation?
- _____
- _____
- _____
21. Is there a Customer Service Officer/Department within NWSC? Yes/No._____

22. Have you (the Customer Service Department) received any complaints or allegations of corruption within the last 3 Months? Yes/No. If Yes, How many were they?

- 1-5
- 6-20
- 21-50
- 51-100
- Over 100.

What action do you take whenever you receive such complaints?

23. Is there any Department that you think is corrupt in the organization? Yes/No_____

If yes, which one(s) _____

24. What (in your opinion) are the causes of corruption in the Organisation?

25. Which level of officers of the Organisation are engaged in most corruption?

- Directors
- Senior Management
- Departmental Heads
- Junior Staff

26. If you think they are all corrupt, please rank them from the most corrupt to the least corrupt- Directors/Senior Management/Department Heads/Junior Staff

27. Is there any other category of staff omitted above but which is corrupt? If Yes, name them

28. Do you like the conditions of service at the Organisation? Yes/No_____

If No, what should be improved



APPENDIX 3

NWSC- CONSUMER QUESTIONNAIRE

Introduction: I am working with TI- Kenya. We would like you find out from you about your experience with the Nairobi Water & Sewerage Services Limited. The main purpose of the study is to find out why the company is often accused of corruption and what may be done to address the problem. This will take about 15 Minutes.

1. How long have you been a Water Account Holder at your current premises?

2. Is the premises residential or institutional ? _____

If institutional describe the nature of institution _____
(e.g.Hospital, Office,Factory,etc)
3. How often do you receive your water bills? Monthly, Bi-monthly, Quarterly, semi-annually, annually, Other (if other state it) _____
4. When was the last time you received your water bill? _____
5. Do you have a functional water meter? Yes/No _____
6. How often is your water meter reading taken? Monthly Bi-monthly
 semi-annually annually other (such as no regular periods or never) If other, give a brief explanation

7. When was the last time your meter reading was taken ? Last 1 Month 2 months
 quarter last 6 months last year other. If other explain

8. Do you take your own water meter reading? Yes/No If yes how often:
 Weekly Monthly Quarterly Semi-annually Annually Other.



9. Do you think the water bills you receive are a fair indication of your consumption? Yes /No.

10. When was the last time you paid your water Bill? Last 1 Month 2 months
 Quarter 6 Months 1Year Beyond 1 year.
11. Who attends to payment of the water bill for you? Self Employee
 Relative Agent Other
If other clarify _____
12. Are you aware that the water and sewerage services functions of the Nairobi City Council have been taken over by another entity? Yes/No. _____
13. Has your water supply ever been disconnected while you are in these premises? Yes/No. ____
If Yes, when was it? Last 1 Month/ 2 Months/ Quarter/ 6 Months/ Year/ Beyond 1 year.
What did you do about the disconnection? Paid up/ Clarified/ Did nothing/ Other. If other what was it _____
- Has the Water supply been restored? Yes/No _____
- If yes, how soon was it restored after your intervention? 1 day 1week
 1month 3 months More than 3 Months.
14. Have you ever seen or witnessed any corrupt practice with regard to water supply and allied services in Nairobi ? Yes/No. _____
If Yes, give a description _____
15. How do you relate the quality of services relating to water & sewerage in Nairobi in the last 9 Months? Better No difference Worse.
16. Have you experienced any corruption in relation to the water services in the last 9 Months? Yes/No. ____ If yes, how does it compare to the period before?
 More rampant No difference Less rampant.
17. How do you relate the water services provider in Nairobi with other utility providers(e.g. KP&LC) in terms of corruption ? More corrupt/ No difference/ Less corrupt.
18. If you had a complaint or grievance with regard to your water, to whom would you send it? _____
19. Are you satisfied with the services of the water delivery company in Nairobi Yes/No. _____



For those with disputes with NCC/NWSC

1. Describe the nature of your dispute with NCC/ NWSC.(e.g. unfair bills,etc)

2. How Long has this dispute been going on ?

- 1 Month 6 Months 1Year 2-3 years 4-5 years Beyond 5 years.

3. What is the current position ? In Court/ being discussed with NWSC/ Other. If other describe the exact position

4. Who do you think is to blame for the dispute?

- NCC NWSC Myself Both parties.

5. How would you like to resolve the dispute?

APPENDIX 4

NWSC STAFF QUESTIONNAIRE

Introduction: I am working with TI- Kenya. We would like you find out from you about your experience with the Nairobi Water & Sewerage Services Limited. The main purpose of the study is to find out why the company is often accused of corruption and what may be done to address the problem. This will take about 15 Minutes.

29. Post at NWSC _____ Department: _____

30. Length of service with Nairobi City Council _____

31. What time to Do you Report for work _____

32. When Do you leave work _____

33. Describe the work you do at NWSC _____

34. Have you ever heard or read about claims of Corruption at the NWSC _____ If yes, Do you think there is an increase or decrease in corrupt practices in the last 6 Months?

35. Have you ever witnessed anyone perpetrate a corrupt act or Practice while you are at work? _____

If yes, What did you do about it? _____

36. Have you ever received an offer or invitation to participate in a corrupt deal from anyone at work? _____

If Yes, Did you Report it to a higher authority ? _____

What action (if any) was taken subsequent to your Report? _____





37. Have you ever discussed any anti-corruption practices or guidelines with a supervisor or anyone else at work? _____

38. Are you aware of any anti-corruption Policies or guidelines in the firm? _____

39. Is there any Department that you think is corrupt in the organization? Yes/No? _____
If yes, which one(s) _____

40. What (in your opinion) are the causes of corruption in the Organisation?

41. Which level of officers of the Organisation are engaged in the most corruption?
 Directors Senior Management Departmental Heads Junior Staff

42. If you think they are all corrupt, please rank them from the most corrupt to the least corrupt-
Directors/Senior Management/Department Heads/Junior Staff

43. Is there any other category of staff omitted above but which is corrupt? _____
If Yes, name them _____

44. Do you like the conditions of service at the Organisation? Yes/No _____
If No, what should be improved _____

APPENDIX 5

NWSC-SUPPLIERS QUESTIONNAIRE

Introduction: I am working with TI- Kenya. We would like you find out from you about your experience with the Nairobi Water & Sewerage Services Limited. The main purpose of the study is to find out why the company is often accused of corruption and what may be done to address the problem. This will take about 15 Minutes.

1. What is the nature of your business? e.g. stationery supplies, chemicals dealers,

2. How is your business constituted legally?

Partnership Sole Proprietorship Limited Company other.

If other give a description_____

3. How long have been operating in this business?

One Month 1 Year 2-4 years 5 Years beyond 5 years.

4. How long have you been dealing with NCC/ NWSC?:

1 year 2-4 years 5 years Beyond 5 years.

5. What kind of goods /services have been supplying or rendering to NCC/NWSC_____

6. What percentage of your business is dealt with NCC?NWSC?

1-25% 26-50% 51%-75% 75-100%.

7. How do you get to know about business opportunities with NWSC? Press contacts

others. If others, describe briefly_____



8. How do you rate NWSC as a customer?

- Very bad Bad Moderate Good Very good.

9. How would you rate NWSC as opposed to NCC in relation to business practices and procedures?

- Better Same worse.

10. Are you aware of NWSC procurement and tendering procedures. Yes/No. _____

11. How would you describe NWSC procurement processes relative to others.

- Difficult Moderate Easy.

12. Do you find NWSC processes to encourage or discourage corruption. _____

13. Which particulars departments of NWSC do you deal with more frequently?

- Finance Administration

14. Which do you find easy to deal with? _____

15. Have you ever experienced any incidence of corruption in your dealings with the NWSC? Yes/No. _____
If yes, from what was the form of corruption (e.g.solicitation of a bribe,etc) _____

16. Which particular department in the NWSC is most prone to corrupt practices?

- Administration Finance other

17. Which cadre of officials are most prone to corrupt practices? Junior Staff

- Middle Management Senior Management Directors All others.

If others, please clarify _____

18. Given a choice would like to continue dealing with NWSC? Yes?No. _____

19. What do you think of the rate and incidences of corruption in NWSC in the last few months?

- Significant reduction Slight reduction Same slight increase significant increase.

20. How would rate NWSC as against other persons/organizations with which you do business?

- Less corrupt Just as corrupt More Corrupt

21. Do you think NWSC can change to become a good trading or Business partner? Yes/No.

Any Other Comments.



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