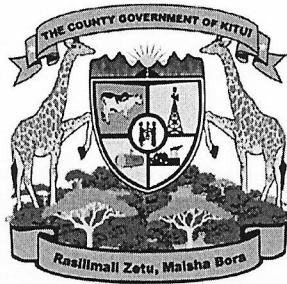


COUNTY GOVERNMENT OF KITUI



THE COUNTY ASSEMBLY

THIRD ASSEMBLY- THIRD SESSION (2024)

COMMITTEE ON LABOUR AND SOCIAL WELFARE

**REPORT ON THE OVERSIGHT EXERCISE TO ASSESS
WORKERS' WELFARE AT THE COUNTY CORPORATIONS
CARRIED OUT AS FROM 15TH- 19TH MAY, 2023.**

**The Clerk's Chambers
County Assembly of Kitui,
Assembly Buildings,
Kitui, Kenya**

APRIL, 2024

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ACRONYMS AND ABBREVIATIONS

CECM County Executive Committee Member

CO Chief Officer

COVID- 19- Corona Virus Disease

IEBC Independent Electoral and Boundaries Commission

KEMSA Kenya Medical Supplies Agency

KICOTEC- Kitui County Textile Center

LIUD- Land, Infrastructure and Urban Development

MCA Member of County Assembly

NEMA National Environmental Development Authority

NSSF National Social Security Fund

NHIF National Health Insurance Fund

TSC Teachers Service Commission

EXECUTIVE SAMMARY

Mr. Speaker,

This report contains committee's findings and recommendations following the oversight exercise carried out on sampled county Corporations to determine the welfare of the workers at these entities.

the Oversight Exercise to Assess the Workers' Welfare at the County Corporations was carried out from 15th-19th May, 2023.

The committee's attention was drawn by an outcry from the said workers who complained of unfavorable working conditions coupled with delayed payments as well as termination of contracts without justifiable reasons.

In order to get first-hand information, the committee adopted various methodologies such as site visitations, round table discussions, questionnaires, as well as observation.

Upon making successful visitations at various county Corporations, the Committee came up with the following general observations;

- i. Majority of the county corporations were started without sound feasibility studies a factor which poses great challenge in determining the viability of these entities.
- ii. Some staff contracted by the county corporations were dismissed without any explanation as to when they are likely to be recalled back to work.
- iii. In some incidences workers went home with unpaid dues and without any indication of whether they will ever be paid.
- iv. In some incidences workers were deducted monies for NHIF and NSSF but not remitted to the relevant bodies.
- v. Some machinery at the corporations is at the risk of being vandalized or stolen as there is no sufficient security deployed at the facilities.
- vi. There is a notable disconnect and a glaring lack of political good will from the current county government which puts the future of these entities into a limbo and confusion.
- vii. Some workers at corporations especially at Syongila KICOTEC are worried about the future of their jobs a factor attributed to change of county leadership.
- viii. The stone crusher at Kwa Kilui is installed at a private land with no clear documentation on leasing. The verbal arrangements

between the owner of the land and the County government of Kitui leaves the multimillion plant at a huge risk.

- ix. The siting of the Kwa Kilui stone crusher was not informed by a geological study thus no suitable stones for crushing are available to sustain its operations.

Owing to the above general observations, the committee concludes as follows;

- i. The relevant departments where all the county corporations fall should undertake feasibility studies to determine the viability of these entities addressing the issues relating to source of raw materials, profit margins of finished products, among others.
- ii. Clear terms of service should be spelt out for the contracted staffs and necessary binding agreements signed forthwith while those whose contracts were terminated should be compensated immediately and their statutory deductions remitted accordingly.
- iii. The mother county ministries should liaise with the enforcement department to provide sufficient security for the corporations' machinery to avoid being vandalized or stolen.
- iv. The current government should move swiftly to pronounce itself on the future of the Syongila KICOTEC and its workers to reduce the anxiety being experienced at the moment.
- v. In the opinion of the committee, Syongila KICOTEC is a game changer entity which places the county at the national arena by securing huge government tenders and thus providing employment to youth, women, PWD and this must be protected by all means.
- vi. As a matter of urgency, the CECM for trade while liaising with the Syongila KICOTEC management should constitute a management board as provided for in the Corporations Act.
- vii. Where necessary the government should consider bailing out the Syongila KICOTEC its outstanding KRA dues amounting to Kshs. 1.4 million and any other accrued debts as a result poor financial management occasioned by the past government's interferences. This will give it a new lease of life

to be able to transact its business and remaining competitive in the market.

- viii. An urgent forensic audit should be conducted on the accounts and transactions of the Syongila KICOTEC with a view of determining any financial wrong doing and any person found guilty to face the law accordingly.
- ix. Formal lease agreements should be entered between the county government and the owner of the land where the stone crusher is installed to avoid potential conflicts.
- x. A geological study should be conducted to determine the suitability of the current siting of the Kwa Kilui stone crusher. This shall inform the availability of suitable stones for crushing.

In conclusion, this oversight exercise was an eye opener to the committee in regards to workers' welfare in various county entities. To the opinion of the committee this could be a tip of a worse scenario as the situation may be worse in other sectors. The committee will not relent in her quest to ensure favorable working terms coupled with good working conditions for the county workers in different sectors. The committee urges this house to adopt this report to pave way for the relevant county ministries to implement the recommendations for the betterment of the workers contracted by the county corporations.

CHAPTER ONE

1.0 PREFACE

1.1 Establishment and Mandate of the Committee.

The Committee on Labour and Social Welfare is a sectoral committee of the County Assembly of Kitui established under **Standing Order 190** whose mandates pursuant to the **Standing Order 190 (5)** are inter-alia;

- a) make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.
- b) investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments;
- c) investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly;**
- d) study and review all county legislation referred to it;
- e) study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives.
- f) vet and report on all appointments where the Constitution or any other law requires the County Assembly to approve, except those under Standing Order 185(Committee on Appointments).

1.2 Committee Membership.

As currently constituted, the Committee on Labour and Social Welfare comprises of the following Members:

Chairperson

Hon. Joseph Kasungi Kavula, MCA
Waita Ward

INDEPENDENT

Vice-Chairperson

Hon. Charity Kathathi Musyoka

NARC party Nominee

Members

Hon. Frida M. Mutinda

UDA Party Nominee

Hon. Cornelius K. Muthami
Mui Ward

Independent

Hon. Antony M. Musyoka
Kiomo/Kyethani Ward

WDM-K Party

Hon. Mary M. Musili

WDM-K Party Nominee

Hon. Pricilla M. Makumi

WDM-K Party Nominee

Hon. Mary P. Ndumbu

WDM-K Party Nominee

Hon. Jeremiah M. Mutua
Nguni Ward

NARC Party

Hon. Zacchaeus I. Syengo
Voo/Kyamatu Ward

WDM-K Party

Hon. Elizabeth N. Peter

WDM-K Party Nominee

CHAPTER TWO

2.0 Background

Mr. Speaker,

The committee's attention was drawn by a public outcry after some workers at the county corporations complained about delayed payments after rendering services. Upon receiving the public complaints, the committee held her preliminary sitting in the Assembly precincts and resolved vide **MIN 015/2023** to undertake an oversight exercise to assess the welfare of workers in the county corporations. The committee drew the program to be followed during the exercise.

2.0 Terms of references

The committee set out the following terms of references for her operations:

- i. To determine the main undertakings and products of the county cooperations
- ii. To ascertain the recruitment procedure and the terms of service for workers in the county cooperations
- iii. To understand the remunerations for the workers in the county cooperations
- iv. To determine the main challenges and complaints handling procedures of county corporation workers.

2.1 Methodology

In undertaking the oversight exercise the committee adopted the following methodologies

- i. Round table discussions
- ii. Questionnaires
- iii. Site visitations
- iv. Observation

2.2 Challenges

Mr. Speaker,

The committee faced a myriad of challenges among them:

- i. Inability of the current Chief Officers to provide information to the committee due to the ongoing transition and transfer of some functions to different sectors & departments.
- ii. Lack of access to some facilities e.g. the Mutomo KICOTEC as their entrances were locked and no keys available as at the time of visit.
- iii. Some staff unwilling to provide information to the committee due to fears.

2.3 Acknowledgements

The Committee registers its appreciation to the offices of the Speaker and that of the Clerk of the Assembly for the logistical support extended during the exercise.

I acknowledge and appreciate Members of the Committee and the staff for their patience, resilience, sacrifice and commitment which enabled the Committee to complete the task.

On behalf of the Committee on Labour and Social Welfare, it is my pleasant duty and privilege, to present to this Honourable House for debate and adoption, the Report of the Committee on the Oversight Exercise to Assess the Welfare of Workers at the County Corporations.



Hon. Joseph Kasungi Kavula.

Chairperson, Sectoral Committee on Labour and Social Welfare.

COUNTY ASSEMBLY OF KITUI.

Report compiled by Onesmus Mutua Mbwang'a – Clerk Assistant

CHAPTER THREE

3.0 THE COUNTY CORPORATIONS VISITED

3.1 THE MUTOMO KICOTEC

Mr. Speaker,

The committee visited the Mutomo KICOTEC on 15th May, 2023 to assess the welfare of the workers. In attendance at the meeting was the ward administrator for Mutomo/Kibwea ward and some of the workers who worked at the KICOTEC.

The committee was informed that the Mutomo KICOTEC was opened in February, 2022 with 49 staffs of different carders among them the branch manager, Human resource manager, a technician, machine operators and casuals.

The committee learnt that majority of the workers were locals comprising of more than three quarters females. The facility was majorly making face masks during the wake of COVID-19 and sometimes they made uniforms for the disciplined forces. The facility remained operational up to September, 2022 then closed operations due to lack of sufficient work and raw materials.

All the workers were employed as casuals and were only paid for the days worked. The workers were paid at the rate of Kshs. 649/= per day. The staff at the management level were subjected to a renewable three months' contract.

All the finished products of the Mutomo KICOTEC were delivered to the main KICOTEC at Syongila in Kitui. There were no sales made at the Mutomo KICOTEC.

The committee learnt that the casual workers were contracted upon being conducted by the community mobilizers with instructions from the Governor's office. The workers were subjected to eight hours of working. However, in some rare occasions the workers were made to work for longer hours with no compensation for the same.

The committee was informed that workers were deducted Kshs. 200 for NSSF and Kshs. 500 for NHIF on a monthly basis. However, the deductions were not remitted on time leading to untold suffering when the staff sought treatment.

It was generally agreed that this facility was a source of employment for the locals and its closure led to loss of job opportunities. As at the time of visit there was no personnel manning the closed facility, this left the equipment prone to vandalism and theft.

During the stock taking exercise by the committee set up by the current Governor it was established that the facility had a total of 36 electric sewing machines which are handed over to the current government. However, the committee had no access to assess the condition of the machines since the facility was locked and the keys kept at the County Ministry of Trade.

3.2 THE KWA KILUI STONE CRUSHER

Mr. Speaker,

The Committee paid a visit at the facility on 16th May, 2023 and was received by the Resident site Mining Engineer who had been seconded to the facility by the County Ministry of LIUD. At the site, there were two-armed security officers manning the stone crusher on a 24/7 hours basis.

The committee learnt that the Stone crusher was purchased and installed in the year 2018. More support equipment to the stone crusher were procured in the year 2021 among them an excavator, a dozer, shovel and a wheel loader. An operations office was as well constructed at the site.

The committee was informed that the stone crusher has a capacity to crush an average of 185-200 tons of ballast per hour. This comprises the $\frac{3}{4}$ inch size ballast, $\frac{1}{2}$ inch size ballast and the dust size ballast. Since its inception in 2018, all the crushed ballast was sold to individual buyers and money collected by a revenue officer seconded to the stone crusher by the County Revenue department.

The site manager could not establish how much revenue had been collected up to the time the crushing stopped as this was handled by the revenue department.

The committee learnt that a total of 11 machine operators for various machinery at the crusher were seconded from the county ministry of LIUD. The committee was informed that the support machinery to the crusher was not up to the task as it was clear that a lot of

scooping was required before reaching the suitable stones for crushing whereby the support equipment was not effective.

The committee was informed that crushing was done up to August, 2022 just before the elections then all the operations came to a standstill. Since August 2022 no work has been done at the stone crusher and the seconded staff were recalled back to their former County Ministry of LIUD.

The committee was informed that during the time of crushing, there was low staff morale as the workers were not motivated, no incentives such as milk for machine operators due to exposure to huge dust and lack of allowances for extra time worked for, workers were not provided with work protective gears and this made the working conditions extremely difficult.

Power outages were a main challenges during the times the stone crusher was operating coupled with delayed payments of electricity bills. The backup generator procured had no fuel and proper installation not done hence it was never used.

As at the time of visit, the committee learnt that since August, 2022 the site manager reports at the crusher without any duties to undertake this has led to the county paying highly skilled idle man power. By the time the other staff were recalled they were not paid any allowances for undertaking duties outside their regular stations of work hence leading to low staff morale.

The committee learnt that the land where the stone crusher is installed is leased, however there were no formal documents supporting the agreement thus putting the whole project in very risky circumstances. The committee learnt that the county government had promised the owner of the land to be connected to power grid and drill a borehole for him all of which cost shall be borne by the county government. However, this was never done.

To the shock of the committee, the owner of the leased land had in the recent past fenced the crusher land without any consultations with the county government raising the question of if he had repossessed back the land or not.

The committee learnt that since the inception of the crusher project there has been no transparency in all undertakings, there has been no compensation for the persons affected by the activities of the crusher as per the requirements of the Mining Act. The committee learnt that the purchase, installation and the general operations of the stone crusher was not guided by a feasibility study to determine its viability.

The siting of the stone crusher was not informed by any geological study to determine if there were sufficient raw materials. The committee established that since the start of the crushing only one blasting was done, the rest of the area had no suitable stones for crushing rendering the current site unsuitable for the crusher.

For the stone crusher to resume operations, the committee was informed that the following required to be done:

- i. A proper feasibility study should be undertaken to establish the viability of the project,
- ii. Proper sourcing of raw materials should be done to ensure no shortages will be experienced in the future,
- iii. Proper NEMA approvals should be acquired regarding environmental effects of the mining activities and blasting,
- iv. Proper Corporate Social Responsibility engagements should be identified and the community brought on board,
- v. A sound lease agreement should be made on where the Stone crusher is to be installed in case it will be shifted it to a new site.

3.3 THE MWINGI KICOTEC

Mr. Speaker,

The committee visited the Mwingi KICOTEC on 17th may, 2023. In attendance were the Mwingi Municipality Manager, the Deputy Sub county Administrator, the Mwingi Central ward Administrator and the DICECE officer in Mwingi town. The Committee learnt that one of the hostels belonging to the Mwingi DICECE institute was converted to Mwingi KICOTEC.

Some renovations to make the hostel suitable for the factory activities were done supervised by the Mwingi Municipal Manager. An

administration block was as well construction an ablution block and cabro works.

The committee was informed that in exchange of the forgone hostel by the DICECE institute, the County Ministry of Trade had promised to construct another hostel and a class to compensate the DICECE institute which was never done. This had paralyzed the activities of the DICECE institute as it was not possible to enroll students due to lack of a hostel facility.

The committee learnt that other than the renovations and the administration block done by the county government, there were no equipment procured for this facility. Similarly, the committee was informed that there were no staff recruited for the facility. The

committee learnt that upon completion of the renovations, a security guard was assigned the work of manning the facility. However, since then he has never been paid for the services rendered. The committee was informed that there was no feasibility study undertaken to establish the viability of the project a factor which is likely make the facility face sustainability challenges.

3.4 THE KITUI LEATHER INDUSTRY

Mr. Speaker,

The committee visited the kitui Leather industry on 18th may, 2023. This project is situated in Manyenyoni in Township ward adjacent to the ward administrator's office. The facility aimed at making leather shoes, hand bags and balls from leather. The committee learnt that the initial plan of the leather industry was to turn local hides and skins into leather and finally the finished products. However, at the inception, the factory adopted a different approach whereby processed leather and soles were supplied by a contracted supplier and used to make the said products.

The committee learnt that the project started in the year 2022 and operated for a few months before stopping operations in July, 2022. The facility hired casuals and later took them for a training before being deployed for the work. The committee was informed that the fact that the raw materials were supplied to the factory by a

- iii. Lack of political good will by the current county government.
- iv. Under capitalization.
- v. Rigidity in the procurement processes which lengthens the turnaround time hence making the factory less competitive in response to customers' needs.
- vi. Political interference especially during the past government regime where funds meant for KICOTEC were diverted to other areas leaving the corporation in financial difficulties hence leading to inability to meet its expenses.

Mr. Speaker,

The committee established that the workers at Syongila KICOTEC faced the following challenges:

- i. Delayed salaries/wages
- ii. Delayed remittance of NHIF and NSSF deductions
- iii. Lack of clear contract terms
- iv. The management's failure to recognize workers representatives
- v. Workers not being paid for overtime hours worked
- vi. Lack of a functional health facility in the factory for treatment of injuries
- vii. Lack of incentives for high achievement at work
- viii. Sexual harassment incidences which go unaddressed by the management
- ix. Presence of goons brought by godfathers for the purpose of spying on other workers
- x. Lack of suitable sewing machinery for the PWD

Mr. Speaker,

a lot has been said about the Syongila KICOTEC in different forums as well as in social media by different personalities including different leaders of Kitui County. Some utterances have painted a dark picture

This is by all standards a great milestone which any government which means well for its people must support both financially and provision of a good political environment for the factory to thrive.

The committee established that KICOTEC is not in any way competing for opportunities with the local tailors as it has been repeatedly been misconceived. The kind of tenders KICOTEC has been awarded currently and in the past can only be secured by a government entity and not individuals.

It will therefore be a big loss to our county if this corporation is left to sink due to lack of the right support from the government of the day. Given the right support and political good will, this corporation can be a game changer in provision of sustainable employment to the people of kitui hence reducing the level of unemployment.

3.6 THE KITUI FOOD INDUSTRY

Mr. Speaker,

The Kitui Food Industry is situated at the Agricultural Technical Institute premises in Township ward. The Committee visited the premises on the 19th May, 2023 and was briefed by the premises manager who is an assistant director seconded from the County Ministry of Trade. The committee established that one room had been set aside where several equipment was installed for various functions. These include; a mango processing plant, a tomato processing plant, a milk processing plant and a Kaluvu brewing equipment.

The committee learnt that the food industry was started as a post COVID-19 mitigation strategy with a view of creating employment to many lost opportunities during the wave of COVID-19. The committee established that nothing much had been undertaken by the food industry apart from the test running of the equipment.

The committee observed that the room where the equipment was installed was not renovated to suit the operations of the equipment. The room was overcrowded and posed a risky working environment for any operator. The committee was informed that the operations of

the food industry stalled when the funding of the same was stopped by the county assembly owing to the fact that there was no clear legal framework guiding the operations of the food industry.

The committee learnt that all the equipment procured had not been paid for a bill totaling to Kshs. 23.1 million. The committee was informed that the few casuals who were involved during the installation and the test running of the equipment were fully compensated. In the opinion of the committee, a proper feasibility study to reveal the viability of the factory will be paramount before more funds are committed to this entity.

3.7 THE KITUI YOUTH DEVELOPMENT CENTER

Mr. Speaker,

The Kitui County Youth Development Center is situated in Manyenyoni neighboring the leather industry off the Kitui - Kibwezi road. The committee visited the premises on the 19th May, 2023, in attendance was the current Chief Officer in charge of youth development accompanied by various staff of his department. As at the time visit, the premises was deserted and no activities were taking place. Several machineries were abandoned on the site with no one to ensure their security during the day and night.

The committee was unable to gather much information concerning the operations of the facility since the current C.O had not been officially handed over the facility. The staff of the former government were transferred to other departments and as such reaching them proved a bit challenging.

In the opinion of current C.O the center could be used for expertise training of learners upon completion of basic training at the vocational centers. The committee raised its concerns on the security of the machinery with the C.O as they were prone to theft and vandalism.

CHAPTER FOUR

4.0 COMMITTEE GENERAL OBSERVATIONS

Mr. Speaker,

Upon successful visitation at various county Corporations, the Committee makes the following general observations:

- i. Majority of the county corporations were started without sound feasibility studies a factor which poses great challenge in determining the viability of these entities.
- ii. Some staff contracted by the county corporations were dismissed without any explanation as to when they are likely to be recalled back to work.
- iii. In some incidences workers went home with unpaid dues and without any indication of whether they will ever be paid.
- iv. In some incidences workers were deducted monies for NHIF and NSSF but not remitted to the relevant bodies.
- v. Some machinery at the corporations is at the risk of being vandalized or stolen as there is no sufficient security deployed at the facilities.
- vi. There is a notable disconnect and a glaring lack of political good will from the current county government which puts the future of these entities into a limbo and confusion.
- vii. Some workers at corporations especially at Syongila KICOTEC are worried about the future of their jobs a factor attributed to change of county leadership.
- viii. The stone crusher at Kwa Kilui is installed at a private land with no clear documentation on leasing. The verbal arrangements between the owner of the land and the County government of kitui leaves the multimillion plant at a huge risk.
- ix. The siting of the kwa Kilui stone crusher was not informed by a geological study thus no suitable stones for crushing are available to sustain its operations.

CHAPTER FIVE

5.0 COMMITTEE RECOMMENDATIONS

- i. The relevant departments where all the county corporations fall should undertake feasibility studies to determine the viability of these entities addressing the issues relating to source of raw materials, profit margins of finished products, among others.
- ii. Clear terms of service should be spelt out for the contracted staffs and necessary binding agreements signed forthwith while those whose contracts were terminated should be compensated immediately and their statutory deductions remitted accordingly.
- iii. The mother county ministries should liaise with the enforcement department to provide sufficient security for the corporations' machinery to avoid being vandalized or stolen.
- iv. The current government should move swiftly to pronounce it self on the future of the Syongila KICOTEC and its workers to reduce the anxiety being experienced at the moment.
- v. In the opinion of the committee, Syongila KICOTEC is a game changer entity which places the county at the national arena by securing huge government tenders and thus providing employment to youth, women, PWD and this must be protected by all means.
- vi. As a matter of urgency, the CECM for trade while liaising with the Syongila KICOTEC management should constitute a management board as provided for in the Corporations Act.
- vii. Where necessary the government should consider bailing out the Syongila KICOTEC its outstanding KRA dues amounting to Kshs. 1.4 million and any other accrued debts as a result poor financial management occasioned by the past government's interferences. This will give it a new lease of life to be able to transact its business and remaining competitive in the market.
- viii. An urgent forensic audit should be conducted on the accounts and transactions of the Syongila KICOTEC with a view of determining any financial wrong doing and any person found guilty to face the law accordingly.

- ix. Formal lease agreements should be entered between the county government and the owner of the land where the stone crusher is installed to avoid potential conflicts.
- x. A geological study should be conducted to determine the suitability of the current siting of the Kwa Kilui stone crusher. This shall inform the availability of suitable stones for crushing.

CONCLUSION

Mr. Speaker,

This oversight exercise was an eye opener to the committee in regards to workers' welfare in various county entities. To the opinion of the committee this could be a tip of a worse scenario as the situation may be worse in other sectors. The committee will not relent in her quest to ensure favorable working terms coupled with good working conditions for the county workers in different sectors. The committee urges this house to adopt this report to pave way for the relevant county ministries to implement the recommendations for the betterment of the workers contracted by the county corporations.

