WASREB
Water Services Regulatory Board

WATER GOVERNANCE
TRAINING HANDBOOK

— NOVEMBER 2021 —

KENYA VISION 2030

THE BIG 4
EMPOWERING THE NATION

CERTIFIED ISO 9001:2015 COMPANY

A WATER GOVERNANCE TRAINING HANDBOOK FOR COUNTY ASSEMBLIES, COUNTY EXECUTIVE COMMITTEE MEMBERS, WATER SERVICE PROVIDERS AND OTHER STAKEHOLDERS IN THE WATER SERVICES SECTOR IN KENYA

FOREWORD

Governance has become a buzzword in the corporate scene worldwide. In Kenya's water sector the crises that have occurred have actually come to be recognised as governance related. The governance challenges in the sector include but are not limited to: the way Boards of Directors are selected and appointed; the way the Boards exercise their mandate and oversight over the various institutions they lead; the role of other stakeholders in holding those organizations to account; levels of transparency in matters of procurement and appointments; risk management of assets in government bodies or private organizations; conflict resolution between competing interests among others.

The Water Services Regulatory Board (WASREB), the sole regulator in the water services sector, recognised these challenges early during the formation of the current water services sector institutions in the years 2002 to 2007 and carried out various studies of the situation. This led to the preparation of its first Corporate Governance Guideline published in 2009. The Guideline was revised in 2018. In addition, WASREB has organised seminars and workshops, year in year out, for Boards of Directors and Management, to ensure that both cadres are reading from the same script if the goals of attaining the constitutional rights to clean and adequate water for all in the country, is to be tenable.

From these seminars and workshops, WASREB has gathered valuable information that Board Members in respective organizations can benefit from. A key observation made is that many come to the Boards while ill equipped and lacking the requisite skills for entrenching the principles of good governance. WASREB is therefore committed to developing an internal capacity dedicated to continuous training of all staff who need the training.

This Training Handbook is part of the outcome of that commitment. It is envisaged that the Training Handbook will not only be friendly for use by the WASREB trainers but will also make it possible to cut costs for the training of other players in the field. In addition, the Training Handbook will standardise the training given to those at the same level of understanding of governance, thereby enabling them to benchmark among themselves.

Moreover, with a standardised format for the training in place, WASREB has created an opportunity to make the courses given under this Training Handbook examinable with the participants being issued with recognized certificates in order to allow personal advancement in the sector. For those who wish to build a career in training, the Training Handbook will be useful.

WASREB is committed to ensuring that this Training Handbook shall be updated regularly so that the demands of change dictating the adoption of new technologies, such as the digital dispensation, can continue to be incorporated and practised in the running of organizations. We cannot afford to be left behind!

We wish all those who go through the courses outlined in the Training Handbook an enjoyable experience and success in their careers.

Eng. Peter Njaggah,
Ag, Chief Executive Officer- WASREB

ACKNOWLEDGEMENTS

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LIST OF ACRONYMS

AGM	:	Annual General Meeting
BoD	:	Board of Directors
CEO	:	Chief Executive Officer
CMT	:	Core Management Team
CoK	:	Constitution of Kenya (2010)
CS	:	Cabinet Secretary
CSR	:	Corporate Social Responsibility
ICT	:	Information and Communication Technology
IoT	:	Internet of Things
KMT	:	Kenya Markets Trust
KPI	:	Key Performance Indicator
LN	:	Legal Notice
NGO	:	Non-Governmental Organization
NLC	:	National Land Commission
NRW	:	Non Revenue Water
OECD	:	Organisation for Economic Co-operation and Development
PFMA	:	Public Finance Management Act, 2012
PIE	:	Personal Interest Exploration?
TNA	:	Training Needs Assessment
UNESCO	:	United Nations Educational, Scientific and Cultural Organization
WARIS	:	Water Regulation Information System
WASPA	:	Water Service Providers' Association
WASREB	:	Water Services Regulatory Board
WHSA	:	Water Harvesting and Storage Authority
WRM	:	Water Resource Management
WSB	:	Water Services Board
WSP	:	Water Services Provider
WSTF	:	Water Sector Trust Fund
WT	:	Water Tribunal
WWDA	:	Water Works Development Agency

DEFINITION OF SELECTED KEY CONCEPTS

Note: Any concept in the definition list can be flagged/highlighted whenever it appears in the main body of the training modules so that one can check up the definition of the concept in the definition list below.

Key Concepts	Definition
Core Values	The guiding rules or fundamental beliefs of the organization
Committee of the Board	The members of the Board of Directors who are mandated to carry out specified functions, programs, or projects assigned by the Board
Accountability	Refers to taking or being assigned responsibility for something that you have done or something you are supposed to do
Articles of Association	The document that contains the information about the rules and regulations of the company
Benchmarking	A process of measuring or evaluating oneself by comparison with a standard
Best Practice	Commercial or professional procedures that are accepted or prescribed as being correct or most effective
Board Charter	The policy document that defines the respective roles, responsibilities and authorities of the Board of Directors (both individually and collectively) and management in setting the direction, the management and the control of the organisation
Board of Directors	A group of people who jointly supervise the activities of an organization as a board
Chief Executive Officer (CEO)	The highest-ranking person in a company or other institution, ultimately responsible for taking managerial decisions
Code of Ethics	Refer to the guide of principles designed to help professionals conduct business ethically, honestly and with integrity
Company Limited by Guarantee	It is a company structure that does not have any shares or shareholders (like the more common limited by shares structure) but is owned by guarantors who agree to pay a set amount of money towards company's debts.
Company Limited by Shares	A company limited by shares is one in which the liability of its members is limited by the company's articles to any amount unpaid on the shares held by its members
Corporate Governance	It is the rubric of rules, processes or laws by which businesses are operated, regulated or controlled. The term encompasses the internal and external factors that affect the interests of a company's stakeholders, including shareholders, customers, suppliers, government regulators and management
Corporate Social Responsibility	The management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders
Corporate Social Responsibility (CSR)	Is a self-regulating business model that helps an organization be socially accountable to itself, its stakeholders and the public

Key Concepts	Definition
Customer Service Charter	It is a written policy that communicates an organization's commitment to doing business with others. When writing a Service Charter, one wants to define the purpose, scope and standards of the organization's commitment to customer service for the employees and customers to know what to expect
Director(s)	The person(s) from a group of managers who leads or supervises a particular area of a company
Internal Audit	This is an independent, objective assurance and consulting activity designed to add value to improve an organization's operations
Key Performance Indicators (KPIs)	This is a measurable value that demonstrates how effectively a company is achieving key business objectives
Mandate	This refers to the authority to carry out a policy, instruction or orders in the company
Memorandum of Association	It is a legal document prepared in the formation and registration process of a limited liability company to define its relationship with shareholders
Mission	The statement that defines a company's business, its objectives and its approach to reach those objectives.
NGO	A non-governmental organization also known as non-profit, voluntary citizens' group which is organized on a local, national or international level
Non-Executive Director	The director of a company who does not engage in the day-to-day management of the organization but is involved in policy making and planning exercises
Non-Revenue Water	Non revenue water is water that has been produced and is 'lost' before it reaches the customer. Losses can be real losses or apparent losses
Quorum	The number of members of a body that when duly assembled is legally competent to transact business
Risk Audit	This is the examination and documentation of the effectiveness of risk responses in dealing with identified risk and their root causes, as well as, the effectiveness of the risk management process
Risk Management	The process of identifying, assessing and controlling threats to an organization's capital and earnings
Shareholder	An owner of shares in a company
Stakeholder	A stakeholder is any person, organization, social group, or society at large that has a stake in the business
Strategic Objectives	The statements that indicate what is critical or important in the organizational strategy
Trusteeship	An appointed person or institution that manages assets for the benefit of someone else
Vision	The statement that describes the desired future position of the company

CHAPTER 1: INTRODUCTION TO THE WATER GOVERNANCE TRAINING HANDBOOK

1.1 Introduction

It is now widely acknowledged that good governance has a positive impact on the performance of corporate entities and water sector institutions/entities are no exception. WASREB in its IMPACT Report No.10 of 2015/16-2016/17 and in subsequent editions observed that the 'water crisis' in Kenya is a 'governance crisis'. This manifests itself in dysfunctional water supply schemes that deliver poor services to the customers and keep relying on external support for operation and maintenance. Essentially, good governance leads to good management which ultimately impacts positively on good performance of the entities. Good water management is critical to sustainable development and to people's well-being. This is because of the pivotal role it plays in economic growth, social inclusion and environmental sustainability (OECD, 2018). Kenya, just like many other developing countries is facing many challenges to achieve, effectively manage and to sustain universal coverage of safe water and sanitation services due to massive investment backlogs in infrastructure and difficulties in maintaining and operating existing assets.

Recognizing the role of good governance, WASREB with support from Kenya Markets Trust, commissioned Development Impact Consulting (DIC) in September, 2019 to undertake training of eight (8) selected water utilities Management teams and Boards of Directors, on governance and the on-going Water Sector Reforms. The main aim was to enhance/promote better governance in the water services sector[1]. As the County Governments are key stakeholder in water services delivery, the consultant was also required to prepare training modules of core content on water governance for County Executive Committee Members (CECMs); County Assemblies and other County stakeholders. This Training Handbook contains the training materials used by the consultant during the training of the eight selected utilities and the CECMs, as well as, other relevant governance materials.

1.2 Background to the Water Services Sector Reforms

The provision of water services and water resources management in Kenya has for a long time been a responsibility shared between the central government and the local authorities of major urban centres, the latter concentrating on services for their respective urban centres. It started as a Department of the Ministry of Agriculture in the colonial days but was given full ministerial status in 1974. The National Water and Pipeline Corporation (NWCPC) was also established as a public corporate body under the State Corporations Act (Cap 446) through Legal Notice No. 270 of 24th June 1988. Its primary mandate was to take over a number of existing water projects, as well as, supply water in bulk to such water undertakers or persons, as the Minister responsible for water matters would designate. The introduction of the NWCPC brought in some confusion in the sector in terms of authority and budgeting lines in the hitherto complacent and staid provision of services in the sector.

The above scenario of three main actors in the water services and resource management remained regulated by the Water Act Cap 372 of 1952 until 2002, when major institutional reforms were enacted in the sector. Under the Water Act 2002, enacted after the Sessional Policy Paper No. 1 of 1999, several semi-independent institutions with clear authority lines were established. These reforms resulted in:

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1   The 8 water utilities are Nanyuki, Isiolo, Murang'a South, Malindi, Kakamega, Nakuru, Garissa and Busia

- Separation of policy and regulation from implementation
- Provision of an enabling environment for privatisation and creating efficient service oriented structures in public functions
- Decentralisation of water management and services to regional bodies (Water Services Boards- now Water Works Development Agencies- WWDAs) and communities
- Formation of various autonomous institutions (Water Resources Management Authority - WARMA (now Water Resource Authority-WRA, Water Services Regulatory Board – WASREB, Water Sector Trust Fund- now Water Sector Trust Fund (WSTF) and Water Service Providers - WSPs) curved out of the various functions which the parent Ministry had traditionally provided
- Leaving the Ministry with legislation, policy and strategy formulation, sector coordination and guidance, and monitoring and evaluation.

Then came the Constitution of Kenya 2010 which among other things:

- Created County Governments under the principles of devolution with shared responsibilities with the National Government for the provision of water services and resources management
- Stated the provision of clean water as a human right. Under Section 43 (1) of the Constitution 2010, every person has the right to clean and safe water in adequate quantities. This is further reaffirmed legislatively in Section 63 of the Water Act 2016. Further, under Section 56, the Constitution requires that the State shall put in place affirmative action programmes designed to ensure minorities and marginalised groups access to water, health services and infrastructure
- In effect embraced the principles of the then UN Millennium Development Goals (MDGs), which started a global effort in 2000 to tackle the indignity of poverty, including universal targets for the provision of clean water and sanitation. These evolved later (in 2012) into the Sustainable Development Goals (SDGs) which were envisaged to produce a set of universal goals that meet the urgent environmental, political and economic challenges facing the world.

Following the radical changes brought about by Constitution 2010, the Water Act 2016 was enacted to incorporate and bring these changes into effect. The Water Act 2016 in effect retained the structures of the Water Act 2012 but with delineation of responsibilities between the National Government and the Counties. These different responsibilities are further elaborated in Item 1.3below and in Section II of this Training Handbook.

1.3 Role of Counties and National Government in Water Services Provision

The distribution of functions between the National Government and Counties is provided for in the Fourth Schedule of the Constitution of Kenya 2010. The functions under the National Government include water protection, securing sufficient residual water, hydraulic engineering and the safety of dams. Those under the County Governments include soil and water conservation, water and sanitation services, and storm water management services in built up areas.

Further, various laws have been enacted by Parliament to facilitate achievement of the objectives of devolution. Those relevant to the water services sector include:

- Water Act (No. 43 0f 2016)
- County Government Act (No. 17 of 2012)
- County Governments Public Finance Management Transition Act (No. 8 of 2013)
- Division of Revenue Act (No. 31 of 2013)
- Intergovernmental Relations Act (No. 2 of 2012)
- National Government Co-ordination Act (No.1 of 2013)
- Public Finance Management Act (No. 18 of 2012)

- Transition County Allocation of Revenue Act (No. 6 of 2013)
- Transition to Devolved Government Act (No. 1 of 2012)
- Transition County Appropriation Act (No. 7 of 2013)
- Urban Areas and Cities Act (No. 13 of 2011)

Those interested in this topic are advised to have a deeper understanding of the above mentioned legislations. However, the actual implementation of the delineation of the functions between the two levels of government has its challenges. Further, elaboration of this topic is done in Section II.

1.4 Mandate of the Water Services Regulatory Board (WASREB)

WASREB was one of the institutions created in 2003 under the reforms of Water Act 2002. It was retained under the Water Act 2016. The primary mandate of WASREB is to oversee the implementation of policies and strategies relating to provision of water and sewerage services. In this regard, WASREB monitors and regularly reports on the performance of utilities, Water Works Development Agencies (until recently) and Counties.

It sets, monitors and reviews the relevant rules and regulations to ensure water services provision is made affordable, efficient, effective and equitable.

The work of WASREB in the area of governance in the water services sector is presented in greater details in Module 17.

1.5 Purpose of the Water Governance Training Handbook

In accordance with the foregoing, WASREB is mandated to promote and ensure that the highest standards of governance are observed and practised in the water sector institutions. Notwithstanding, the reforms brought about by the Water Act 2002, many of the new institutions created lacked experienced Boards and personnel to steer them into compliance with the existing laws, rules and tenets of good governance. Hence, a myriad of challenges emerged in the water services institutions in the country.

In this regard, WASREB commissioned a study in 2007 to document problems related to governance that were encumbering these institutions. The outcome of the survey led to preparation and publishing of the first Governance Guideline in 2009 by WASREB. Since then, the Regulator has sponsored numerous governance courses and seminars in the sector based on the Guideline resulting in the need to update the Guideline. Subsequently, the Corporate Governance Guideline of 2009 was formerly updated in 2018.

However, despite disseminating the Guideline using various platforms, over the years, WASREB observed that majority of the governance issues earlier identified have continued recurring in the institutions necessitating conducting of more trainings. The need for regular training was based on the following:

a) Boards of the institutions are reviewed and re-constituted every three years

b) There is continuous injection of new management manpower into the institutions either from the public or private sector

c) The changing legal landscape in the country arising from: the promulgation of Constitutions 2010; the Employment Act; and other legislatures (including Water Act 2016 following repealing of the Water Act 2002); and the ever-changing environment in which the sector operates. Members and officers of these institutions are rquired to stay conversant with the

resultant governance requirements. Hence the manual incorporates many such diverse and changing scenarios which impact on governance challenges in the country. For example, many of the government's own governance prescriptions popularly known as *Mwongozo* are incorporated in this Training Handbook having being specifically tailored to suit the water services sector needs.

Thus, although succession planning has been emphasized whenever there are changes of Board members and staff, such continuous change has meant that the institutions have had to contend with challenges wrought by the entry of new/incoming persons in appreciating the principles and practice of good corporate governance.

Consequently, WASREB has invested in the preparation of this Training Handbook which is envisaged to become one of the key manuals to assist in governance training on a regular basis across the country. The manual shall be updated every three years. Given the importance which WASREB attaches to good governance in the sector, the training based on this manual shall be examinable, certificates will be issued and these shall be recognised by WASREB and the respective Boards, as a credible tool\document for evaluating staff for possible job appointments and upward mobility.

1.6 Overview of Governance Challenges in the Water Services Sector

Good governance is:
• Consensus oriented
• Participatory
• Accountable
• Transparent
• Responsive
• Effective and efficient
• Follows the rule of law
• Equitable and inclusive
• Committed to avoid conflict of interests
• Committed to practicing ethical principles in its operations

Over the years, there have been challenges faced in the water services sector with regard to meeting the above attributes of good governance. The following key governance challenges have been witnessed in the water services sector, among others:
• Boards appointed by selection and failing to make appointment of Board members as open and competitive as possible
• Poor qualifications of most member of Boards
• Poor mix of skills in Boards
• Somewhat large Boards with 11 to 13 members
• Poor gender balance
• Poor persons with disabilities representation
• No Board evaluations
• No certificates of governance compliance
• Interference and micro-management by Board Chairmen
• Sense of entitlement by Board Members
• Staffing problems
• Disjointed terms and conditions of service
• Lack of vision and mission statements
• Lack of understanding of the Companies Act
• No codes of conduct or governance guidelines
• No key policy documents such as human resources manuals, strategic plans, business plans
• Rather high board and committee expenditures

- Legal status not clear – some are parastatals, others are companies, others are trusts
- Need to improve the performance of Board Members in meetings
- Getting County Governments to operate without short term political interests interfering
- Surviving election cycles
- Need to hold annual budget stakeholder forums
- Comprehensiveness of issues exposed before the people in the forum
- Failing to base budget on approved tariffs
- Generally, weak budgeting operations and efficient/strict compliance to financial rules and regulations which need to be strengthened
- Need to strengthen the use of the internal audit system
- A utility may fail to apply for tariff adjustment due to local County factors leading to inability to meet the vision of creating commercially viable water service provision
- Need to always provide quality customer service and resolution of complaints and improvement of the quality of the personnel in discharging this mandate may require further training and exposure
- Role of the County in fostering ethics to bring about adherence to service standards
- Human resources policies that promotes efficiency, fairness and equity is an area of challenge in the WSPs in driving a performance based culture
- Identification of stakeholders and need to take measures to improve the extent of participation of the stakeholders, including local communities in decision making process

All the above governance challenges are discussed in Section II of this Handbook, including a governance assessment tool which WASREB developed recently for assessing governance in the sector.

1.7 Emerging Challenges Faced by Counties in Water Services Provision

The challenges enumerated in 1.6 continue to feature in varying degrees in the County Governments. However, more emerging governance challenges under the Counties following devolution include:

- Risk of politicians becoming too directly involved in the day-to-day management and operations of the utilities, resulting in conflicts, misdirection of resources, loading the organizations with poorly qualified human resources, inordinately high recurrent expenses, among other negative consequences
- Capital resources ownership and control has been a bone of contention between the Counties and the National Government especially the role of the Water Works Development Agencies
- Similarly, control of finances and other resources has generated conflicts between the County administrations and the respective WSPs under them
- Management of inter-county water resources continues to generate tension among some counties
- Skills shortages especially at the management and technical levels affects the operational efficiency of the water services organizations at the County level
- Financial dependency on the National Government in the face of low revenue collections for some of the WSPs
- Conflicts among the County administrations and the WSPs Boards on appointment of Chairmen and Board Members.

CHAPTER 2: ADULT / PEER LEARNING TRAINING SKILLS AND METHODOLOGIES

2.1 Introduction

The Training Handbook is intended to be a guide to be used by WASREB for the training of the CECMs, County Assemblies, Water Service Providers and other county stakeholders on good governance. Cognizant of the fact that WASREB trainers may not necessarily have the requisite skills for training of adult learners and/or peer learning, it is imperative that the 'would be trainers' be reoriented into these skills. The art or skills of training makes the difference between an effective trainer and a non effective one. Although communication and facilitation skills are both important skills of a trainer, they are not an end in themselves. This session will help the trainers to understand/acquire the whole range of skills needed to be an effective trainer. It will also ensure that the trainers understand the role of a trainer who is by no means superior to the trainees. The trainer should act as a facilitator and share the knowledge with the participants and give an insight into his/her work experience[2]. Highlights of the do's and don'ts of a trainer are presented in Section 2.8 below. The purpose of this section is to fill this gap by highlighting the key principles and methodologies of adult and peer learning with a view to enhancing the effectiveness of the trainers, as well as, to guide them on the training.

2.2 Objectives of the Chapter

By the end of this section, the trainer will be expected to:

- Describe adult leaner and peer learning characteristics
- Distinguish what factors contribute to maximum retention in adult learners
- Be able to select the most effective training methods for adult learners

2.3 Adult/Peer Learning Training Methodologies

It is anticipated that the training will employ highly participatory, interactive and experiential learning techniques [3] with more of peer learning than presentations[4]. The Personal Interest Exploration (PIE) rule as it is referred to, should be applied by the trainers to make presentations more effective. The rule requires facilitators to be practical by way of always referring to actual examples in a session, so that participants can understand how to apply them in their own job contexts. It is better to provide opportunity to apply what they learned. Interactivity provides participants opportunities to speak up, summarize and reorganise their learning and above all,

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2   *The instructor's role is to facilitate the learning experience for the self-directed adult learner. The concept is to create a win-win situation in which both the instructor and the participant learner accomplish their goals. Part of the facilitator's role is to identify and use the learner's experiences to enhance the learning experience. The facilitator is also responsible for establishing the pace of content delivery based upon the learners' comprehension and acknowledging individual variances. The facilitator accepts each learner as a person of worth, seeks to build relationships of mutual trust and respect, and contributes to the group learning as a co-learner and member of the group. The facilitator validates expressions of learners' thoughts and feelings, and brings to the setting a sense of humour and enthusiasm about the topic and the teaching/earning strategies.*

3   *Experiential learning is the process of making meaning from direct experience. Put simply, experiential learning is learning from experience. An example of experiential learning is observing the water supply system in a city and learning through observation and interaction, as opposed to reading about the system from a book (passive approach). The main advantage of experiential learning is that the learner makes discoveries and experiments with knowledge first-hand instead of hearing or reading about others' experiences. Experiential learning engages the learner at a more personal level by addressing the needs and wants of the individual. For experiential learning to be truly effective, it should employ the entire learning wheel, from goal setting to experimenting and observing, to reviewing, and finally action planning. David Kolb, an American educational theorist, has created a model to visualise the stages of experiential learning (see below).*

4   *Peer learning essentially refers to trainees learning with and from each other as fellow learners without any implied authority to any individual, based on the tenet that "trainees learn a great deal by explaining their ideas to others and by participating in activities in which they can learn from their peers"*

to learn by interacting with other trainers. Interactivity also contributes to maintaining gained knowledge for long periods. Involvement of the trainees in the training shall be the rule rather than the exception. Trainers will be asking participants to share their experiences on the topics, as all of them are experienced personnel who have valuable information to contribute/ share. Through this, trainees will get more out of sessions by hearing about their co-workers' experiences on the subjects—and not just the trainer's lecture points. Hearing different voices also keeps sessions varied and interesting. It is for this reason that the programme has a lot of interaction time in all sessions, invoking the principles of adult learners which are discussed in detail below. Needless to say, during the training, the facilitators should be guided by the do's and don'ts of a facilitator/trainer provided in Section 2.8. Finally, relaxation is important to make participants active and open their hearts positively, contributing to a constructive atmosphere for learning. In this regard, the facilitators are expected to assess their sessions by asking themselves the following:

- To what extent is my session practical?
- To what extent is my session interactive?
- To what extent is my session enjoyable?

2.4 Adult and Non-Adult Learning Styles

2.4.1 Pedagogy vs Andragogy

Adult education is a complex phenomenon that incorporates many subjects, settings, and learner purposes. These purposes may include personal growth, skill development, professional growth and/or enjoyment. The term for modern adult education theory is andragogy, the science of assisting adults to learn as contrasted with pedagogy, the science of teaching children.

2.4.2 Differences in Adult and Non-adult Learning

Children	Adult
• Rely on others to decide what is important to be learned	• Decide for themselves what is important to be learned
• Accept the information being presented at face value	• Need to validate information based on beliefs and experience
• Expect what they are learning to be useful in their long-term future	• Expect what they are learning to be immediately useful
• Have little or no experience upon which to draw so are relatively 'clean slates'	• Have much experience upon which to draw and many have fixed viewpoints
• Have little ability to serve as a knowledgeable resource to teacher or fellow classmates	• Have significant ability to serve as a knowledgeable resource to trainer and fellow learners

2.5 Principles of Adult Learning

- Learner's life experiences are a resource of knowledge that should be incorporated into new learning situations,
- Identifying specific educational needs enhances motivation to learn,
- Planning, identification of needs, and setting of goals should involve the participation of the learners,
- Learning is self-directed requiring facilitation of learning rather than 'spoon-feeding' information,
- Learners seek out learning experiences to cope with specific life events,
- Learning orientation is associated with specific problems or needs,
- In order to use and retain the new information it must be integrated into previous knowledge

base,
- Adult learning is competency driven rather than content-driven. Competency outcomes should drive the content and methods,
- Establishment of a safe, supportive environment is essential for learning,
- Physical environment needs to be comfortable and pleasant,
- Participatory, experiential learning activities and strategies should replace traditional, lecture-based methods,
- Learner should have feelings of accomplishment.

2.6 Training Methodologies

Methods	Advantages	Disadvantages
Lectures	• Efficient for providing knowledge and concepts • Keeps group together and on the same point • Time control is easier • Useful for large group size (20 or more)	• Provision of knowledge does not always mean that recipients understand it • Can be dull if used for too long without learner participation • Difficult to gauge if people are learning • Retention is limited
Demonstrations	• Effective to attract interest • Effective to motivate to learn by showing the result of learning	• Difficult to create environment for demonstration • Requires facilitator's skill
Practical exercises (Individual or small group)	• Effective to help understand how to apply acquired knowledge and to retain it	• Needs personal care to monitor the processes • Speed varies with participants
Case studies	• Effective for training in problem solving capability • Offers a dynamic process of learning • Requires active learner involvement • Can stimulate performance required after training • Learning can be observed	• Difficult to create a case • Requires facilitator's skill to lead participants • Information must be precise and kept up-to-date • Needs sufficient class time for learners to compile the cases • Learners can become too interested in case content
Project	• Effective to develop total capability on the topics	• Time consuming • Needs follow up
Business Game / Simulation	• Effective to help understand participants' personal character • Effective to create teamwork when it is done by group	• Difficult to create a game • Needs personal monitoring and feedback
Small Group discussions	• Effective to understand and retain the topic • Keeps learners interested and involved • Learner resources can be discovered and shared • Learning can be observed	• Sometimes, not all the members equally participate • Learning points can be confusing or lost • A few learners may dominate discussion • Time control is more difficult
Structured Exercise / Role Playing	• Facilitator can check the learning level • Aids retention • Allows practice of new skills in a controlled environment • Learners are actively involved	• Requires facilitator's skill for effective feedback • Requires preparation time • May be difficult to tailor to all learners' situations • Needs sufficient class time for exercise completion but more importantly, feedback

2.7 Characteristic of People's Ability to Remember

Recognized facts about people's characteristic on ability to remember, says that people generally remember:

- 10% of what they read
- 20% of what they hear
- 30% of what they see
- 50% of what they hear and see
- 70% of what they say or write
- 90% of what they say as they do a thing

Therefore, the three of the most effective training methods of learning for adults are:

- Case Study
- Structured Exercise/Role Play
- Demonstration

2.8 Do's and Don'ts of a Trainer

A good trainer is...

A facilitator: A good trainer will realize the empowering value of collaborative learning, and will establish a collaborative relationship with participants in which the responsibility for learning rests with the whole group. He/She will also make positive statements to the group and encourage them to share their opinions and experiences. Furthermore he/she will reinforce what was said positively and will find positive ways to correct something or someone (i.e. "That is a good point, but we could look at it this way").

Sensitive towards the participants: A good trainer will help to create and sustain an environment of trust and openness where everyone feels safe to speak honestly, and where differences of opinion are respected. Sensing how individuals are feeling or which feelings an entire group reflects is very important for a trainer since establishing a collaborative dynamic situation is essential to a good learning environment. A good trainer should also be sensitive to the different needs and backgrounds of the participants and take them into account while conducting the training.

Including the participants in the discussion: A good trainer doesn't merely present from the front of the room but walks around the participants to include them in his/her thinking. He/She will also try to build issues that have been raised by the participants into his/her presentation, so that they feel that they are also involved in shaping the agenda. Questioning the participants individually can also be a good method to include their opinion in the discussion. It is important to ask specific questions, for example about their experiences in a specific situation or about their opinion on a specific topic.

A charismatic person: A good trainer can hold the participant's attention by using body language, changing the tone of voice, speaking clearly, establishing eye contact and being confident when he/she is talking. A trainer who appears composed will give participants confidence that they are in good hands and will learn something important.

A good listener: A good trainer will know what the participants are expecting from the training and should be flexible regarding including trainee's wishes during the training (more discussions, postponing breaks when energy levels are low.

Organized: A good trainer will be well prepared, e.g. will have all the necessary equipment ready at least the day before (buying refreshments, snacks and other materials, printing all the necessary documents), will know where lunch takes place, will know who is responsible for IT and will arrange the meeting place. Moreover he/she should have a good overview of the agenda and should have all the information about the participants (names, flights time, hotel, contact details).

A trainer is not...

Responsible for learning: the trainer is the facilitator, that is, his/her role is to help the participants to learn as much as they can.

The only one speaking: one can recognize a good trainer when he/she talks less than the trainees and rather involves them in discussions.

A guarantee for the success of the training: the participants have to be willing to learn new skills. The trainer cannot push them to do so.

An arbiter: the trainer was not appointed to judge the opinions of the participants but to share his/her knowledge and clarify factual inaccuracies.

A servant: all the trainees have to support the trainer if he/she is asking them to do so (preparing to begin the exercises for instance).

CHAPTER 3: OVERVIEW OF THE TRAINING MODULES

3.1 Objectives of the Training

Observation: We first observe that;

- Water is an important enabler of Vision 2030 and the Big Four Agenda of the government

- 'It is widely believed that the 'water crisis' is really a 'governance crisis' – WASREB Impact Report No.10 of 2015/16-2016/17 and subsequent IMPACT editions.

General Objective:

- To strengthen Corporate Governance, Change Management and leadership of water sector institutions for improved performance.

Specific Objectives:

- To have a common understanding of what governance is

- To provide participants with the strategies and skills that may be used in governance of their utilities for the benefit of their customers, other stakeholders and the society at large

- To provide a forum for enhanced networking among the utilities, enriching governance through future exchanges of experiences through benchmarking

- To promote implementation of good corporate governance principles and practices in the water services sector

- To create public awareness, sensitizing corporate leaders and policy makers on the need for good corporate governance for enhanced public and political leadership in the sector

- To explore with the WSPs how best to follow the 10 tenets of good governance also known as compliance to 'Code of Conduct' and 'Best Practice' in corporate governance

- To discuss the enabling environment for good governance

- To review attainment of social justice in water provision – inclusiveness, pro-poor iniatives, serving the underserved

- To review governance as a key path to the attainment of the Key Performance Indicators in IMPACT reporting by WSPs

- To initiate the development of internal sensitization workshops with WSPs

- To discuss change management and leadership: Governance means leadership

- To mould Directors and Management as agents of change

3.2 Overview of the Training Modules

The overview of the training modules is presented here in summary. A link to the detailed Powerpoint Presentations on the modules has been given in Annex 1. The overview on each module covers:

- The objectives of the module

- Expected learning outcomes from the module

- Contents of the modules

The modules cover a series of topics which address pertinent issues in governance, ranging from the water sector reforms of 2002 and 2016 to a to relevant laws and social responsibility issues.

The modules are aimed at presenting the above information in as simplified a manner as possible for learners to understand. They will also take into account the fact of devolution and its implications on the delivery of good governance in the sector. The relationship of the National and the County governments is critical in providing oversight over the sector for the delivery of good governance. Therefore, this relationship will be explored.

The modules have been simplified into clearly identifiable themes. This will facilitate the organization of working groups during training around these themes. Bearing in mind that the governance landscape in Kenya is dynamic, an update of the Training Handbook every three years will ensure that the material presented in the module is up to date. Further, it is expected that the materials presented here will be a motivation for lively and enjoyable discussions in the working groups and plenaries in the seminars.

Module 1: Water Services Sector Reforms in Kenya - Legal and Institutional Framework

Overview
The purpose of this training is to present a simplified reference guide of the legal regime governing the water sector reforms in Kenya. This involves highlighting the repealed/past laws, current laws and Constitutional framework governing the water sector in Kenya.

Objectives
a) To highlight the overall legal reforms embodied in the water sector
b) To inform the learners of the relevant/specific water laws governing the water services sector in Kenya
c) To appraise the learners of the landscape governing the prevailing water legal regime taking into account the following:

- Former legal position – Water Act 2002/previous constitution,
- Effects of the 2010 Constitution of Kenya 2010 on the Reforms,
- Water Act, 2016 –prevailing legislative framework and
- Other relevant legislations, such as the Intergovernmental Relations Act (IGR) 2012.

Learning Outcomes
By the end of this module, participants should be able to:
a) Understand key legal challenges that affected the water sector before enactment of the Constitution of Kenya (CoK) 2010

b) Understand the legal evolution in Kenya that has necessitated the need for radical water sector reforms

c) Understand the legal and institutional reforms that are/have taken place

d) Have a general overview of the roles and mandates of various institutions in the management of water resources

e) Importance of the water reforms to the country and their contribution to its development.

Module Content
a) The CoK 2010 and its water affecting provisions

b) Effects of the CoK 2010 and its implications for reforms in the water sector

c) Salient features of the Water Act 2016 in comparison to the repealed Water Act 2002

d) Simplified reference guide highlighting the legal reforms embodied in the water sector

e) Roles and responsibilities of the new water institutions in the management of water resources

f) Impact of the legal reforms.

Module 2:   Corporate Governance and Ethics

Overview
Corporate governance was defined by Sir Adrian Cadbury in 1992 as follows: ***"Corporate governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. The shareholders' role is to appoint directors and auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the board include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The board's actions are subject to laws, regulations and the shareholders in a general meeting."***

Corporate governance is a system of structures and processes to direct and control companies. It specifies the distribution of rights and responsibilities among company's stakeholders (including shareholders, directors and managers) and articulates the rules and procedures of making decisions on corporate affairs. Thus, corporate governance provides the structure for defining, implementing and monitoring a company's goals and objectives and ensuring accountability to appropriate stakeholders.

Business ethics leads to better levels of corporate governance and support its practices, in the long run, ethical behaviour has a positive impact on the company's performance. Ethics and values make good business sense.

The Organisation for Economic Co-operation and Development (OECD) Principles on Water Governance provide a framework to understand whether water governance systems are performing optimally and help to adjust them where necessary. They can analyse efforts for making good practices more feasible, learning from international experience and setting reform processes into motion at all levels of government, to facilitate change where and when needed. They can also help avoid traps and pitfalls, learning from international experience.

Objectives
a) To improve understanding of corporate governance and board of directors' responsibilities

b) To develop the competencies directors require to implement responsible corporate governance practices

c) To share directors' experiences and build networks with peers

d) To introduce three emergent themes in respect to the main role of ethics in corporate governance

Learning Outcomes

By the end of this module, the participants should be able to:

a) Define and explain the key principles and elements of good corporate governance systems

b) Explain how a corporate governance framework works effectively within a company

c) Understand that corporate governance is inclusive of ethics

d) Respond to corporate governance concerns and challenges

e) Assess their own company's policies and procedures

Module Content

a) Defining corporate governance

b) Agency and stewardship

c) Corporate governance principles

d) Pillars of corporate governance

e) Elements of good corporate governance

f) Role of ethic in corporate governance

g) Code of ethics

h) Evolution of corporate governance in Kenya

i) Code of corporate governance and ethics in Kenya

Module 3: Governance Issues in the Water Services Sector in Kenya

Overview

This module is designed to give a bird's eye view of governance issues in the water sector both from historical and current perspectives. It also touches on WASREB's governance measurement tool which was recently introduced and is now reported on in its annual Impact Reports. The module shows the strides made since the beginning of the water reforms of 2002. The quality of Boards of utilities has improved in terms of the skills composition among members, water rights have been introduced and the general public which forms part of the stakeholder clientele have become more focused and participatory concerning the affairs of their utilities, as well as, the general governance in the country. However, there are still many governance areas to be addressed. The module will address these gaps.

Objectives

To bring into perspective the evolution of governance in the water services sector in the country and to enable the participants to relate their own experiences in the sector over time.

Learning Outcomes

By the end of this module, the participants should be able to:

a) Discuss the evolution of governance in the water services sector in the country

b) Appreciate the governance challenges that have been met over the years and how they have been resolved

c) Assess and have a broad picture of the current governance issues in the sector

d) Apply the historical lessons learned, as well as, the WASREB governance assessment tool to the resolution of current challenges in the sector.

Module Content

a) Findings of the water services governance survey of 2007

b) What has changed since the survey

c) The WASREB governance assessment tool and its application

d) Current governance issues in the sector in Kenya

The WASREB Corporate Governance Guideline for the Water Services Sector 2018

Module 4: Role and Responsibilities of Directors (Financial Stewardship and Accountability)

Overview

Since the Industrial Revolution, individuals and companies entrusted assets to others to use in the hope of making a profit and earning a return. However, once managers have control over assets, they have little incentive to ensure a return. This is described in accounting theory as the 'agency problem'. To ensure accountability to capital providers and the proper use of company assets, the company is required to keep appropriate accounting records and to issue financial statements. The stewardship objective in financial reporting is about providing information about the past, at a level of detail, in a way that enables entity's performance to be assessed in its own right. It is also about providing information about how the entity has been positioned for the future.

Accountability has many different connotations, marginally different form stewardship and involves the wider impact of company activities. It includes financial, environmental and societal responsibilities. Under this concept, companies are held to account for the quality, efficiency and effectiveness of their activities. Accountability involves the responsibility of the director to justify, explain or account for the exercise of the board's authority and actions to the shareholders and other stakeholders (for example, regulator or tax authority). In recent times, financial and other information has been developed and issued to satisfy the needs of a wider range of users beyond the providers of capital.

Objectives
a) To discuss the Board's role in financial stewardship and financial oversight

b) To discuss the international and local accounting environment

c) To analyse financial statements

d) To highlight some of the challenges faced in ensuring accountability

Learning Outcomes
By the end of this module, the participants should be able to:
a) Describe the Board's role in financial stewardship and financial oversight

b) Analyse the international and local accounting environment

c) Understand financial statements and their relationship to liquidity, profitability and performance

d) Identify the consequences of inadequate financial information.

Module Content

a) Board's role in financial stewardship and oversight

a) Financial information: uses and their interests

a) Accounting environment (users, standards, accounting assumptions, information qualities)

a) Company accounting environment (system, policies, issues)

a) Financial statement components and analysis (ratios) for liquidity, profitability, performance

a) Constraints/consequences of inadequate financial information

a) Case study: What financial ratios reveal

Module 5: The Effective Board: Skills, Composition and Structure

Overview

A balanced Board should contain an appropriate mix of, executive and non-executive directors, independent directors who have appropriate skills, experience and attributes. The lack of key digital skills at Board level is hurting organizations. The latest digitization on Board reports shows that a significant high number of directors in organizations do not have the basic digital competences.

The Board should include a balance of executive and non-executive directors so that no individual or small group of individuals can dominate decision making. An executive director holds an operational position in the company. The executives that one typically finds on Boards are the Chief Executive Officer, head of finance, head of the core business of the company and recently, head of ICT. These directors are best informed about the company's business and its challenges since they make decisions daily about the company's operations. They are ultimately responsible for the company's operating results.

Non-executive directors do not hold an executive position and may or may not be independent. Non-executive directors contribute greater impartiality in their judgements. They can provide the Board with additional external experience and knowledge and may have useful contacts that can be used for the company's benefit. An independent director has no material relationship with the company beyond their directorship. An independent director is therefore regarded as being independent in character and judgement.

Objectives

a) To identify digital competences that are required for directors

b) To identify the characteristics and benefits of a balanced Board

c) To define types of directors and their leadership attributes

d) To describe good practices in managing Board of Directors' roles, responsibilities, committees and remuneration

Learning Outcomes

By the end of this module, participants should be able to:

a) Establish the criteria for determining a Board's ideal size

b) Understand the need to enhance their digital skills and board level to match the current landscape

c) Understand what the '"balance' means in terms of executive/non-executive/independent

directors, appropriate skills, experience and attributes

d) Improve their leadership attributes and team leadership skills

e) Understand and appreciate the role of Board committees

Module Content
a) The balanced Board

b) Board size criteria

c) Digital skills as cornerstone of innovation

d) Building digital capability in the modern operating environment

e) Director skills, experience and attributes

f) Board committees

g) Audit committee

h) Case study

Module 6:   Information for Effective Board Participation and Direction

Overview
Information is power which a director needs. A company's Board of Directors is collectively responsible for leading and directing its affairs in order to promote its success. To fulfil this role, the entire Board must be well informed about current and likely future performance. Many Boards are rendered ineffective because of not receiving the right and adequate information for decision making. This information is required for the Board to be able to make sound decisions on various issues, including formulation of policies, ensuring accountability of the organization, monitoring performance targets, risk identification and management, overseeing the audit function, approval of budgets, communication to stakeholders, ensuring statutory compliance, among others.

Objectives

a) To ensure that the Board has the right information, at the right time, in the form it can digest at appropriate speed to carry out its functions

b) To sensitize the Executive to be proactive in providing the requisite information.

Expected learning outcomes
By the end of this module, the participants should able to:
a)   Appreciate the critical role of good, accurate and timely information for good decision making

b)   Articulate the kind of information a Board needs to be effective

c)   Appreciate that information is power and as a director one needs it in order to fully play their role in the Board

d)   Enforce provision of sound and relevant information from the Executive to the Board and in a timely basis

e)   See the importance of ensuring that Board Members read Board papers comprehensively

in preparation for meetings in order to make good and impactful decisions.

f) As Executives, appreciate the need to go to great lengths to provide good, adequate and timely information to Board Members to enable them make decisions which will help the executives to run their organizations smoothly

g) As Executives, encourage Board Members to read Board papers comprehensively before they attend Board meetings in order to save time in meetings

h) Prepare and preserve minutes and other records appropriately of Board proceedings and decisions

Module Content

a) Why information is important to the effectiveness of the Board

b) Board information and their sources

c) Characteristics of good information

d) Critical issues which the Board information must address

e) How the Board can establish whether it has the right information

f) Critical information which the Board must have

g) Critical role of Management in the generation, packaging and timely transmission of information to the Board Members

h) Appropriate formats and techniques for the presentation of information to the Board

i) Preparation and preservation of minutes and other records of Board proceedings and decisions.

Module 7:   Leadership and Change Management

Overview

Leadership is influencing others to achieve certain aims or objectives. Effective leadership is characterised by visioning, strategizing, influencing, empowering, communicating, team building, decision making, problem solving and success. Management is accomplishment of work through efforts of other people. It is the process of planning, organizing, controlling and coordination to determine and accomplish the objective. Effective leadership skills can help managers to carry out their duties.

Managing a process of change in an organization can be a highly complex task and is often essential for effective organizational development. Change may focus on one of four systems in an organization; structure, technology, people and task. The characteristics of change-capable project teams include; linking the present and the future, making learning a way of life (learning organization), actively supporting and encouraging day-to-day improvement and changes (continuous improvement processes), ensuring diverse teams, encouraging out-of-the-box thinking (innovation), integrating technology to implement changes, building and deepening trust (creating an organizational culture of management credibility and integrity), streamlining and aligning processes, systems and structures and a leadership that has the will and conviction to change.

Objectives

a) To define what is meant by leadership and management

b) To examine the different styles of leaders in terms of their focus and nature

c) To discuss the concept and measurement of leader effectiveness

d) To apply the issues surrounding leaders, leadership styles and effectiveness of leaders to own experiences

e) To establish a culture of innovation

f) To develop leaders of change

g) To discuss the tenets of change management.

Learning Outcomes
By the end of this module, the participants should be able to:

a) Apply leadership styles appropriate to different situations

b) Enhance their leadership skills

c) Integrate their experiences into their leadership development process

d) Appreciate why change is necessary and what the change will involve

e) Effectively lead people through change

f) Understand types of organizational change

g) Respond to the ever changing business world in terms of technology, customer trends and unprecedented global crises such as the COVID-19 pandemic.

Module Content

a) Leadership – approaches in the 21st century

b) Leader characteristics

c) Leadership development

d) Change leadership roles and action

e) The nature of business environment

f) The focus of change

g) Change management in organizations.

Module 8:   Planning and Conducting Productive Board Meetings

Overview
A Board can be dysfunctional due to the different characteristics of its members. However, with good leadership, the Board can establish a culture of consensus and respect for one another's view. The underlying principles of meetings etiquette are good manners, courtesy and consideration. If these principles are adhered to, the chances of offence and misunderstanding can be greatly reduced. The emerging COVID-19 challenges has also forced Boards and the Stock Exchange to allow digital/online conferencing for Boards and shareholder meetings, among others.

Objectives
a) To get the participants to ensure that they get full value from the participation of their Directors in Board meetings by bringing into play the highest standards of management of meetings.
b) To ensure that Boards adopt the new norms in virtual conferencing.

Learning Outcomes
By the end of this module, the participants should be able to:

a) Appreciate the impact of the different personalities of the Board Members on the success of Board meetings
b) Recruit Board Members who will add value to their organization
c) Plan Board meetings which are effective in advancing the vision and mission of the organization
d) Balancing participation of various Board Members in Board meetings, the vocal, the abrasive, the quiet, the reserved
e) Introduce virtual conferencing in their organizations.

Module Content

a) Characteristics of various Board Members and their positive or negative impacts on Board meetings
b) Underlying Principles of Meetings Etiquette
c) Planning for a Board meeting
d) Conducting Productive Board meetings
e) Role of the key Members of the Board in meetings:

•   The Chairman

•   The Chief Executive Officer

•   Members

f) Virtual meetings and conferences.

Module 9:   Enhancing Relationship Between Shareholders and Other Stakeholders

Overview
Good performance of an organization is related to better treatment of customers, strong employee relations and good customer relations. Holistic approach to stakeholders yields maximum returns to deliver long term economic objectives and enhances sustainable financial performance. Companies that can balance sound treatment of multiple constituencies are often found to have high management levels.

The shareholders are the owners of the organization. The organization can only survive if it endeavors to uphold good relations with these owners. The owners themselves are usually people of significant standing in their society and some have key skills which can help the organization to prosper. Similarly, other stakeholders can take the organization far in the right direction and often act as the 'ear' of the organization among competitors and in areas where

opportunities can be identified. Such stakeholders include Class B shareholders who are usually sourced from prominent stakeholders in the society serve.

Objectives
a) To ensure that the organization is acting in sync with its most critical constituency, the stakeholders, by identifying them and taking steps to meet their expectations and improving communication strategies with them
b) To bring in stakeholders to assist in achieving the organization's objectives.

Learning Outcomes
By the end of this module, the participant should be able to:
a) Identify the different stakeholders of his/her organization
b) Effectively use the differently stakeholders to add value to the operations and outcomes of the organization
c) Strive to increase valued outcomes for the stakeholders
d) Enhance the good relationships between the different stakeholders
e) Identify the state of relationship with key stakeholders
f) Improve communication with stakeholders, using multimedia approach including virtual communications, websites and other e-communication apps.

Module Content
a) Who are the organization's stakeholders? Identifying stakeholders

b) Role of the identified stakeholders in the promotion of the organization's objectives

c) Value addition through stakeholders

d) Examples of results of good stakeholder relations

e) Stakeholders' entitlements

f) Stakeholder representation in the Board

g) Reporting to the shareholders

h) Strategies to enhance positive relationships with the stakeholders.

Module 10: The Governance of Risk

Overview
The Board should fulfil certain key functions including ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control and compliance with the law and relevant standards.

Risk management should be a feature of all businesses. Companies take risks to generate returns. The Board is responsible for ensuring that all business risks are identified, evaluated and suitably managed. In a world of increasing complexity and uncertainty, directors must manage risk more assiduously than ever before.

Enterprise risk management (ERM) is a structured, consistent and continuous process across the entire company for identifying, assessing, responding to and reporting on opportunities and threats that affect the achievement of the company's objectives. Directors must decide, acting on management's advice, how much risk the company can accept. This is called 'risk

appetite'. Risk appetite may vary over time and will be influenced by the company's financial condition and market position. This module will provide the foundation for coverage of the control environment.

Objectives
a) To describe the nature of the risk and the Board's role in risk management

b) To identify risk-assessment and decision-making frameworks

c) To outline the process of developing and maintaining a disaster recovery and business continuity plan

Learning Outcomes
By the end of this module, the participants should be able to:
a) Articulate the nature of risk and the basic role in risk management

b) Apply risk assessment and decision-making frameworks

c) Outline priorities for disaster-recovery and business continuity planning.

Module Content
a) The nature of risk

b) Board risk-management role

c) Identification of risks

d) Risk assessment mapping

e) Risk response and monitoring

f) Risk management framework

g) Disaster recovery and business continuity planning

h) Communicating risk management policies

Module 11:   The Control Environment

Overview
The control environment, the subject of the audit committee's attention and activities, normally encompasses; business areas related to risk and the management of those risks through internal controls; internal audit function; external audit functions and review of financial statements and annual report.

The OECD and the International Organization of Securities Commissions (IOSCO) recommend as best practice that the accountability for a company's control environment is through an independent audit committee. The audit committee's contribution to qualify controls are recognised worldwide.

To undertake its role effectively, the audit committee should consider how it keeps abreast of financial reporting, accounting and other regulatory changes and how it is assured that it understands its activities in the 'best' way. Regular audit committee evaluation of itself, its activities and its effectiveness is important.

Objectives

a) To describe the control environment, board responsibilities and internal controls

b) To identify the audit committee's organization, roles and duties

c) To describe the contribution that external audit makes to sound corporate governance

d) To discuss whistle blowing, control oversight concerns and regulatory developments.

Learning Outcomes

By the end of this module, the participants should be able to:

a) Comprehend the control environment, board responsibilities and internal controls

b) Understand the audit committee's organization, roles and duties

c) Explain the contribution that external audit makes to sound corporate governance

d) Appreciate whistle blowing, current oversight concerns and regulatory developments.

Module Content

a) Overview of the control environment

b) Board role and internal controls

c) Audit Committee - detailed duties with respect to:

- Financial supervision

- Internal audit

- External audit

- Auditor selection and management

- Compliance

- Risk management

d) Audit committee relations with Internal Audit

e) Audit committee relations with External Audit

f) Current oversight concerns

g) Regulatory developments

Module 12: Board Evaluation

Overview

Properly conducted, a Board self-evaluation can have a profound impact on a Board. If answers are given honestly, it can provide the impetus for a Board to resolve issues that have remained simmering unattended to and create synergy among the members. It gives individual members an opportunity to reflect on their individual and corporate responsibilities. It can identify different perceptions and opinions among Board Members leading to issues that need Board attention. It also serves as a springboard for Board improvement and increases the level of Board teamwork. It provides an opportunity for matching mutual Board and Staff expectations, demonstrates to staff and other stakeholders that accountability is a serious organizational issue in the Board and provides credibility with funders and other external persons/organizations.

Objectives

a) To make self-evaluation of Boards a routine undertaking, at least on an annual basis

b) To make Board members acceptable to and comfortable with self-evaluation

c) To expose the participants to the process and how to do it.

Learning Outcomes

By the end of this topic the participant should be able to:

a) Conduct Board self-evaluation

b) Determine relationship with shareholders

c) Determine relationship with stakeholders

d) Conduct and evaluation of the Chairman

e) Conduct and evaluation of the CEO

f) Conduct an evaluation of individual Directors.

Module content

a) Rationale for Board self-evaluation

b) Types of Board self-evaluation

c) Regularity of evaluations

d) The evaluation process

e) Strategies for evaluating and using the results obtained to enhance the value of the evaluation outcomes

f) Evaluation formats.

Module 13: The Governance of Strategy

Overview

Strategy is how a company orients itself towards its market and its competitors. Flawed strategic thinking can create massive value destruction and even threaten a company's survival. For most companies, the strategic planning and management processes are complex. The Board should develop a vision that is operationally useful. In other words, it should be more than just wishful thinking. This vision needs to be translated into corporate goals or objectives, usually through a purpose statement.

A typical framework for developing and articulating a company's strategic direction comprise:
*   Strategic analysis – identification of the company's competitive advantages, gaps between the company's present capabilities and those needed to fulfil the vision. This involves an analysis of the external political, legal, social, technological and market environment and the company's internal resources. This analysis may lead to a redefinition of the company's purpose
*   Strategy formulation – this step is to broadly generate potential options and then make strategic decisions. This process should involve cooperation between management and the board, with each having an understanding of their respective roles
*   Implementation – the choice in strategy needs to be translated into detailed operational plans by management for sales, marketing, production and research and development. The operational plans should be disseminated throughout the organization by management and

then widely discussed internally. The Board should monitor the strategy's execution against milestones and call on management to modify the strategy as necessary.

Objectives
a) To explain an effective strategy's components

b) To analyse the Board's role in the governance of a company's strategy

c) To introduce appropriate tools to formulate strategy

Learning Outcomes
By the end of this module, the participants should be able to:

a) Understand the effective components of a strategy

b) Analyse the Board's role in the governance of a company's strategy

c) Identify the benefits of developing a strategy

Module Content
a) Strategic planning and management

b) Business environment

c) Strategic analysis tools

d) Resource capability

e) Strategic options

f) Board's role in governance of strategy

g) Strategy committee

h) Case Study: Application of SWOT, PESTLE Tools

Module 14: Governance and Legal Compliance - Licence Obligations, Guidelines and Enforcements

Overview
The main purpose is to educate the learners on the applicable licensing obligations, guidelines and enforcement in the water sector. This is achieved by analyzing the Water Act 2016 laws, attendant regulations and the Constitutional Framework governing the license obligations, guidelines and enforcement.

Objectives
These include but is not limited to educating the learners on the legal provisions and framework governing:
a) Licensing for provision of water services;

b) Water Licensing obligations and duties;

c) Monitoring and enforcement of licence in the water services sector;

d) Dispute resolution mechanisms and procedures applicable in the water services sector; and

e) Providing for emergencies and exigencies in the water sector.

Learning Outcomes
By the end of this module, the participants should be able to:
a) Appreciate the need for regulation and licensing of the water services sector

b) Understand how guidelines and enforcement mechanisms drives the desired behaviour in implementing water services sector reforms

c) Understand the various water services sector licences authorized by law

d) Understand the licence obligations and attaching guidelines

e) Understand rights and duties of licensees.

Module Content
a) How licences, guidelines and enforcement mechanisms contribute to positive water services sector reforms

b) Highlights of the relevant section of laws on governance and legal compliance

c) Types of licences and guidelines for acquisition and maintenance of those licences

d) Overview of licence obligations and enforcement mechanisms

e) Rights and duties of licensees.

Module 15: Achieving Results through Time Management

Overview
Time management involves the planning of one's work to accomplish one's goals so that priorities are addressed and you are able to accomplish those goals within a reasonable period even when time is limited and the pressure is high. It thus also enables you to reduce and manage work stress and can therefore be an important component in arresting the so-called lifestyle diseases. Time is the most important resource a as shall be demonstrated in this module. Achieving results through time management is an important component of corporate governance. Time management also allows one to work smarter, not harder! It also enables one to manage impossible deadlines.

Objectives
a) To identify practices/behaviours that waste time and adopt strategies for reducing them

b) To establish causes of procrastination and apply relevant techniques to overcome these

c) To help clarify goals, objectives and priorities and allocate implementation strategies according to the time available

d) To review the evolving time management tools and technologies available and how to use them.

Learning Outcomes
By the end of this topic the participant should be able to:

a) Plan meetings well in advance

b) Call meetings and distribute materials well in advance

c) Get Board and Management to agree on format for meeting briefs

d) Use various time management tools

e) Consciously plan time (allocate time to save time)

f) Choose how to communicate more efficiently: phone, memo, meeting, email, video conferencing

g) Know when one is at his/her best so as to devote ther time to high priority tasks

h) Do '10' minute tasks which have cumulative effects over time

i) Learn the art of effective delegation, including delegation of authority appropriately, as well as, train subordinates to do their jobs

j) Deal with impossible deadlines.

Module Content
a) Reasons for time management

b) Time wasters or stealers

c) Formats for efficient Board briefs and meetings

d) Effective delegation and associated training of juniors

e) Time planning and management instruments/tools:

   • Time Management Grid

   • Critical Path Analysis

   • Gantt Charts

   • Time and Motion studies

   • Ergonomics

   • Logistics in complex operations

   • Other various technological innovations

f) Managing difficult deadlines.

Module 16: Corporate Social Responsibility

Overview
This involves presenting the objectives of sound CSR contributing to improved corporate performance and accountability. It further aims to highlight key CSR principles such as trust, transparency and accountability which are necessary for fostering long-term investment, financial stability and business integrity.

Objectives
a) To look at the WASREB guideline on CSR, as well as, the factors that affect CSR generally that is;

   • Conflict of interest. Avoiding conflicts of interest is vital

   • Oversight issues

   • Accountability issues

   • Transparency

- Ethics violation.

b) To identify the motivations in engaging in CSR such as strengthen relationship withshareholders/investors/customers

c) To analyse the key factors that driveCSR, that istesting innovations for a learning organization

d) To highlight various obstacles to effective CSR such as mixed level of knowledge

e) To look at the role of the Board in promoting CSR

f) To advocate for rational CSR revolving around WSPs commitment to behave ethically and to contribute to sustainable economic development, by working with all stakeholders to improve their lives in ways that are good for business, the sustainable development agenda and society at large.

Learning Outcomes
By the end of this module, the participants should be able to:

a) Understand Corporate Social Responsibility (CSR)

b) Appreciate the role of CSR in business ethics and the community

c) Define CSR strategies.

Module Content
a) Understanding and defining CSR

b) Benefits of CSR in business and the community

c) Examples of WSPs' roles in CSR.

Module 17: The Work and Mandate of WASREB

Overview
The WASREB Corporate Governance Guideline and the Governance Assessment tool are summarised and presented in this module.

Objectives
To impart a practical appreciation of the application of the foregoing modules under the regulator through the WASREB governance oversight activities.

Learning Outcomes
By the end of this module, the participants should be able to:
a) Appreciate the oversight role of WASREB in governance matters in the water service sector

b) Apply the WASREB Corporate Governance Guideline to their own situation

c) Understand and apply the WASREB Governance Assessment Tool

Module Content
a) Summary of the WASREB Corporate Governance Guideline

b) The WASREB Governance Assessment Tool

ANNEXES

ANNEX 1: THE TRAINING MODULES
Detailed Power Point Presentations on the 17 Modules are found on this link

https://1drv.ms/u/s!Aq35ORQ0VmvqgmlzYlDa-Khj0pYA?e=T1dkcB

ANNEX 2: USEFUL ANNOTATED REFERENCES

The Repealed Constitution of Kenya 1963
The old constitution has been referenced to provide an overview of the previous position on water rights and management of water resources. This constitution neither recognised water as a basic human right nor as an economic right. Water is mainly mentioned in relation to geographic marking of boundaries between districts and little importance was given to its regulation and management.

The Constitution of Kenya 2010
The CoK 2010 contains the chief provisions on water rights and water management. The promulgation of a new Constitution in 2010 was a milestone in the reforms for the water sector, such as through introduction of various human rights that are integrated to the water sector, including the right to a clean and healthy environment (article 42); the human right to clean and safe drinking water in adequate quantities, and the human right to reasonable standards of sanitation (article 43); as well as the human rights of consumers to goods and services of reasonable quality which is mainly integral to provision of water and sanitation services (article 46).

Land Act No. 6 of 2012
This Act governs the administration of public land which includes water resources and sets out the functions of the National Land Commission (NLC) over management of public land and the process of compulsory acquisition.

The Repealed Water Act 2002
This Act was repealed by Water Act 2016. The repealed Water Act 2002 was not in alignment with the Constitution of Kenya 2010 which, among others, recognized water as a basic human right.

The Water Act 2016
This Act governs the ownership, use, regulation, management and development of water resources, water and sewerage services; and for other connected purposes. This Act was enacted to realign the existing legal and institutional framework under Water Act 2002 with the Constitution of Kenya 2010.

The Intergovernmental Relations Act 2012
This Act has implications on the water sector relating to perceived disputes between the National Government and County Governments and amongst counties over managing/sharing of water resources.

The County Government Act 2012
This Act describes the functions of county government in relation to water resources. It defines the functions and powers of county governments, including County Integrated Development Planning and sectoral plans that impact on water resources.

The Public Finance Management Act 2012
This Act regulates the management of finances with regard to water and other resources at national and county levels by ensuring their compliance with the procedures for efficient and effective management of all revenue, expenditure, assets and liabilities.

The Companies Act 2015
This is Act came into operation on 6th December 2015. The Act outlines the types of companies that can be formed in Kenya and deals with their formation and registration. Specifically, a company can either be limited by shares or by guarantee or have unlimited liability. Under the Water Act it is 2016, it is envisaged that a Water Service Provider (WSP) can be incorporated as a public company limited by shares and having a memorandum and articles of association, which together would form the company's constitution. Where a WSP is so formed, it is expected to ensure compliance the Act and attendant regulations

Forest Conservation and Management Act, 2016
This Act governs the development and sustainable management, including conservation and rational utilization of all forest resources for the socio-economic development of the country.

Mining Act No. 12 of 2016
This Act contains provisions concerning mining in and around water basins.

Agriculture and Food Authority Act No. 13 of 2013
The Act impacts on water resources in numerous ways by providing a framework that prevents destruction of water resources in agricultural areas. Section 23 (a) on Land Preservation Guidelines, the Cabinet Secretary is empowered to prohibit any undertakings detrimental to the protection of the land and water catchment areas.

National Museums and Heritage Act No. 6 of 2006
The Act's regulatory framework for management that of classified cultural and/or natural heritage has implications to conservation of water catchment area.

Mwongozo Code of Governance for State Corporations
This document addresses the governance challenges faced by parastatals, also called the Semi-Autonomous Government Agencies (SAGAs). This the ultimate source authority of governance issues in those institutions including those in the water sector.

WASREB Corporate Governance Guideline for the Water Services Sector

Devolving from the Mwongozo Code of Governance, WASREB has developed the guideline specifically fine-tuned/targeted for the water services sector. WASREB states that "The objective of this Guideline is to improve how water service institutions especially water service providers are led and managed, enhance the understanding of apt governance, clarifying autonomy and oversight and the structures and systems that are needed to have economical and efficient provision of water services". This publication is the standard governance guideline for all stakeholders in the water services sector. The latest version of the Guidelines was produced in 2018.

Water Services Regulatory Board IMPACT Reports

The IMPACT Reports contain WASREB's yearly assessments of the performance of the water services sector through monitoring nine Key Performance Indicators. They are useful source documents for informing on water governance in the sector. In the last two years, WASREB has developed a Governance Tool which it uses to assess governance performance levels in the sector, more specifically in the WSPs and reports the results in the IMPACT Reports.

The nine KPIs reported on by the IMPACT Reports are; Water Coverage, Water Quality, Hours of Supply, Non-Revenue Water, Metering, Staff Productivity, Revenue Collection Efficiency, Personnel expenditure as a % of O+M cost and O&M cost-coverage.

Strategic and Business Plans, Annual Reports of Various Water Services Institutions
There are 10 semi-autonomous water services institutions in the country and over 80 regulated Water Service Providers. Their Strategic and Business Plans, as well as, their Annual Reports have important background materials which can enrich the training courses.

UNESCO, World Bank, African Development Bank and OECD
These organizations have some seminal documents that can be accessed in their websites discussing relevant water governance issues.

ANNEX 3: SAMPLE WORKSHOP PROGRAMME

TIME/DAY	SESSION	FACILITATORS
DAY I		
8.00 – 8.30	Registration of participants	WASREB/Consultant
8.30 – 9.00	Welcome address and official opening	WASREB/KMT/or Any Other Invited Official
9.00 – 9.15	Workshop objectives and Expectations	Facilitator & Participants
9.15 - 10.15	Water Sector Reforms in Kenya - Legal and Institutional Framework	Facilitator
10.15 – 11.00	Corporate Governance – An Overview	Facilitator
11.00 – 11.30	**Health Break**	
11.30 – 12.15	Governance Issues in the Water Servicessector	Facilitator
12.15 – 1.00	Roles and Responsibilities of Directors (Financial stewardship)	Facilitator
1.00 – 2.00	**Lunch Break**	
2.00 – 2.45	The effective Board: Skills, Composition and Structure	Facilitator
2.45 – 3.30	Information for Effective Board Participation and Direction (Also financial reporting)	Facilitator
3.30 – 4.00	**Health Break**	
4.00 – 4.45	Group Work and Group Reporting	Participants
4.45 – 5.30	Group Reporting	Participants
DAY II		
8.00 – 8.15	Recap of previous day's activities	Participants
8.15 – 9.00	Leadership and Change Management	Facilitator
9.00 – 10.45	Planning and Conducting Productive Board Meetings	Facilitator
10.45 - 11.15	**Health Break**	
11.15 – 12.000	Enhancing Relationship between Shareholders and Other Stakeholders	Facilitator
12.00 – 12.45	Audit Function and Risk Management	Facilitator
12.45 – 1.30	Board Evaluation	Facilitator
1.30 – 2.30	**Lunch Break**	
2.30 – 3.15	The Governance of Strategy	Facilitator
3.15– 4.00	Governance and Legal Compliance - license obligations, guidelines and enforcements	Facilitator
4.00 – 4.30	**Health Break**	
4.30 – 5.30	Group Work	Participants
DAY III		
8.00 - 8.15	Recap of previous day's activities	Participants
8.15 - 9.00	Group Reporting	Participants
9.00 – 9.45	Achieving Results Through Time Management	Facilitator
9.45 – 10.30	Corporate Social Responsibility	Facilitator
10.30 – 11.00	**Health Break**	
11.00 – 12.45	Workshop Evaluation	Facilitator
12.45 – 1.00	Way Forward & Closing	WASREB/KMT/Or Any Other Invited official
1.00 – 2.00	**Lunch & Departure**	

ANNEX 4: SAMPLE OF WORKSHOP EVALUATION FORM FOR PARTICIPANTS

The purpose of this form is to obtain information, opinions and impressions of the training event in terms of its relevance, importance and usefulness to you and your organization. Such feedback will assist with future planning of similar programmes. The form will be completed anonymously at the end of the seminar/workshop.

Please be as frank and specific as possible when answering.

Objectives

1. What was your objective in participating in this programme?

    ………

    ……...……………………………………………………..

2. After participation in this programme, were your objectives met?

    ………

    ……...……………………………………………………..

General Impression

3. What is your general impression of the programme you have just attended?

    Excellent [　　　　　]   Satisfactory [　　　　　]

    Good [　　　　　]   Poor [　　　　　]

    Please give a brief explanation of your of your rating.

    ………

    ……...……………………………………………………..

Professional Development

4. To what extent do you feel that your participation in this programme has made you more qualified professionally?

    To a great extent [　　　　　]   To a sufficient extent [　　　　　]

    Not at all [　　　　　]

Please list specifically the professional benefits you have acquired through the programme.

………

……...……………………………………………………………..

Programme Content

5. Which of the sessions in the programme did you find most valuable according to the programme objectives and your present responsibilities?

a. ……...…………………………………………………………………….

b. …….......………………………………………………………………..…………………………………………………………………………………….

c. ……...…………………………………………………………………..

d. ……...………………………………………………………..…

6. Were there any relevant subjects or aspects that were not adequately covered in the programme?

Yes [   ]   No [   ]

If yes, list topics, which should have been included.

a. …………………......……………………………………………………………………...……………………………………………………………………………

b. ……………………………………………………………………………………………………...…………………………………………………………………………

c. ……………………………………………………………………………………………………...…………………………………………………………………………

Facilitators

7. How would you rate the sessions and the facilitators who contributed to the programme using the matrix below? (Tick as appropriate)

No.	Session	Rating			
		Excellent	**Good**	**Satisfactory**	**Fair**
	Water Sector Reforms in Kenya - Legal and Institutional Framework				
	Corporate Governance – An Overview				
	Governance Issues in the Water Services sector				
	Roles and Responsibilities of Directors				
	The effective Board: Skills, Composition and Structure				
	Information for Effective Board Participation and Direction				
	Leadership and Change Management				
	Planning and Conducting Productive Board Meetings				
	Enhancing Relationship between Shareholders and Other Stakeholders				
	Audit Function and Risk Management				
	Board Evaluation				
	The Governance of Strategy				
	Governance and Legal Compliance - license obligations, guidelines and enforcements				
	Achieving Results Through Time Management				
	Corporate Social Responsibility				

Follow-up

8. What recommendations do you plan to apply immediately upon returning to your organization?

    a.   ……

    b.   ……

    c.   ……

    d.   ……

9. What kind of problem do you foresee in implementing the recommendations you listed above?

    a.   ……

    b.   ……

    c.   ……

Any Other Comments

10.   Your proposals for improvements in the programme and its implementation would be most welcome?

    ………

    ………

    ………

11.   Which topic(s) would you have liked to know more about?

    ………

    ………

    ………

12.   What information did you find to be of most value to you and your work?

    ………

    ………

    ………

13. Do you have any recommendations on how similar workshops in the future could be improved?

....

....

14. Any other comments?

....

....

Workshop Facilities

15. How did you find the hotel training facilities and venue?

Suitable [ ]   Not suitable [ ]

If not suitable, please explain:

....

....

Name_____Signature_____
(Optional)

Please return this completed evaluation form to the Coordinator. Thank you for your cooperation.

ANNEX 5: OTHER CONSIDERATIONS

a) Examinations: These will be administered at the end of a course. The learning outcomes spelled out in Chapter 3 should assist the instructor to set sound and credible examinations.

b) Certificates: These will be awarded and graded according to performance in the exams. Such certificates will be eligible for consideration in appointments and promotions.

c) Administration and delivery of the training: These will be undertaken by WASREB staff appointed for that purpose. Consultants may be invited to deliver a lecture on a specific topic or for a specific seminar or workshop.

d) Hand-outs: WASREB lecturers will determine a standard set of hand-outs that will be prepared for each course.

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