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## **Asset Management Profile and Assessment of Needs County Government of Supercounty, Kenya**

United Nations Department of Economic and Social Affairs in  
collaboration with the United Nations Capital Development Fund  
and United Nations Office for Project Services

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## INTRODUCTION

### PROGRAM OVERVIEW

The “*Strengthening financing for sustainable development at the local level through the development of subnational asset management frameworks in the least developed countries*” project is being implemented jointly by the United Nations Department of Economic and Social Affairs (UN-DESA) in collaboration with the United Nations Capital Development Fund (UNCDF) and United Nations Office for Project Services (UNOPS). The purpose of the project is to introduce the concept of Asset Management to local governments and to provide guidance in formulating follow-on curriculum for government officials. The project aims to enable local governments in LDCs to properly identify their needs in subnational asset management and, based on those needs, develop customized asset management frameworks, including asset management action plans in support of sustainable development, with a focus on portfolio and lifecycle management strategies.

The project follows a three-pronged strategy, consisting of (i) helping cities in LDCs assess their current level of asset management by reviewing their assets in a holistic and integrated way and analyzing the role and potential of different stakeholders (e.g., central government agencies, mayor, local council, line departments, civil society and private sector); (ii) training city officials in the formulation and implementation of a long-term, customized asset management framework, including an asset management action plan (AMAP) that can be effectively linked to a medium-term budget and a long-term sustainable development strategy; and (iii) sharing lessons learned and general policy recommendations with other LDCs.

Accordingly, the project should result in the creation and implementation of subnational asset management frameworks in Least Developed Countries (LDCs) in support of sustainable development, as well as a comprehensive publication of policy lessons that provides general guidance to other local governments in LDCs. Local governments in project countries in LDCs (no more than 3 per country) will be chosen in consultation with the cooperating entities and national governments to ensure the project can leverage existing work of partner agencies and fits well into national sustainable development strategies.

Nine sub-national units (counties including their city boards or municipalities) were selected to participate in the project: which included Supercounty.

The project is being implemented in conjunction with the UNCDF Municipal Investment Financing (MIF) Programme. The MIF is helping increase the capacity of local governments’ access to sustainable sources of capital financing. This in turn will help them address key challenges within their municipalities.<sup>1</sup> One step towards building this capacity is to ensure sound asset management practices are in place.

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<sup>1</sup> UNCDF. 2018. Municipal Investment Financing. <http://www.uncdf.org/mif> (accessed on 12 February 2018).

Asset Management techniques involve first knowing what assets you own, then what condition they are in, what it costs to keep them in good repair and which assets should be 'fixed first'. With this information, plans and decisions can be made on how to best invest local government funds, and provide the best service to the community. When such asset management processes are in place, this is an indication, both locally and globally, of a transparent and financially responsible organization. This, in turn, builds trust and confidence from local stakeholders as well as broader sources of resources and capital. Accordingly, the ultimate objective of this effort is to build the capacity of each local jurisdiction to be more prosperous and provide a better quality of life for its citizens.

## DIAGNOSTIC TOOL

The diagnostic tool developed for the project is designed to introduce the concept of asset management to local governments in the Least Developed Countries (LDCS) i.e. those at the sub-national level, and to provide guidance in formulating follow-on curriculum for government officials. This work is important because the physical infrastructure assets of a community (roads, water systems, parks, office buildings, community and cultural centers, schools, waste disposal, power plants, etc.) largely define the identity of the community, use a major part of their budgets, and are the most valuable assets they own.

The Diagnostic Tool comprises three parts.

**Part 1** includes a self-assessment which is forwarded to the selected local government prior to the visit of the assessor. The questions are general and designed to provide an understanding of the local government, its philosophies, priorities, constraints, and any previous asset management activities. It is usually completed prior to the onsite interviews with local government officials and staff; however, it was completed on-site in Supercounty.

**Part 2** includes a questionnaire for an onsite interview by the assessor that guides local authorities through a detailed assessment of their current asset management practices. This was completed on-site in Supercounty with the heads of departments.

**Part 3** is an evaluation of the responses received for Part 1 and Part 2. It was completed after the onsite interviews by the assessor. The objective of this part is to give the County an understanding of their level of asset management awareness. The findings result in a menu of optional interventions that local authorities can consider to improve their asset management practices.

## SUPERCOUNTY COUNTY MISSION

The mission to Supercounty County took place from 12<sup>th</sup> – 14<sup>th</sup> July 2022. The assessment covered the county government of Supercounty, Supercounty City Board and Pleasantville Municipality. Prior to the mission, a letter was sent from the Council of Governors (on behalf of UN-DESA and UNCDF) to the County Secretary and respective Committee Executive Members of respective departments of each county to introduce the project and request for meetings with key government officials. The purpose of meeting with said officials was to present

the project and gain an understanding of national drivers and initiatives that impact on local government asset management.

Part 1 and 2 of the Diagnostic Tool were forwarded to the County in advance of the arrival of the project team. Meetings were then held with various county senior officers including directors of the following departments – finance and planning, lands and housing, procurement, health, agriculture, among others. The officers from the municipalities and town councils also attended the meetings.

The mission to Supercounty County included the following project personnel:

Ms. Bernadette Wanjala	IAM Country Consultant (UN-DESA)
Ms. Wanjiku Gitonga	UNCDF
Mr. James Maina	Council of Governors

The mission was presented to the Committee Executive Member for Finance and senior county officials (including directors of different directorates) and was well received by those present. A joint meeting was then held with key members of the Supercounty staff to review the purpose of the diagnostic tool and undertake the assessment.

## **STRATEGIC OVERVIEW – PART I**

Supercounty County is located in the Western part of Kenya. The County headquarters is Supercounty Town. The population of Supercounty County is estimated at 2.1 million people. The County's two major towns are; Supercounty Town which is the County's headquarters and Pleasantville town which is popular for both local and international tourism because of its proximity Nairobi the capital city of Kenya. Supercounty and Pleasant towns are complemented by other urban centres spread across the County.

The County is governed by an elected Governor. There is one city (Supercounty city) that is governed by a city board and one municipality (Pleasantville municipality). The Municipality is headed by a Municipal Management Board as provided for in the Urban Areas and Cities Act and the Devolved Government Act.

The main sources of revenue for the County include transfers from national government (referred to as equitable transfers), conditional grants from national government and own source revenue. In 2020/21, transfers from national government accounted for about 74% of total revenue in the county, while conditional transfers accounted for 3% of total revenue (Supercounty County Fiscal Strategy Paper, 2022). Own source revenue accounted for only 23% of total revenue, with the main revenue sources being business permits, royalties, land rent & rates, advertisement fees, bus parks, street parking fees, market fees, approval of building plans, among others. Despite having many urban centres, market fees contribute a very small proportion of own source revenue, which was highlighted during the assessment as occasioned by the lack of adequate records on markets in the county.

Supercounty county (including the municipalities and county councils) has the following tangible land, building and infrastructure assets in its inventory:

- Land in use (no surplus land)
- Public markets (central markets)
- Roads
- Schools (Early Childhood Education Centers and Youth Polytechnics) – including sports fields
- Water systems
- Abattoir
- Government offices
- Health centers and hospitals
- Public lavatories
- Public cemeteries
- Street lighting
- Community roads
- Solid waste management – collection and disposal
- Bus terminals
- Recreation facilities (a sports stadium)

The most critical assets owned by the Supercounty County government and the municipality and town centers include its water and sanitation infrastructure, solid waste infrastructure and hospital equipment and machineries. Waste is a major issue in the city, municipality and town councils and failure to collect it leads to the blockage of drainage systems and diseases. A blocked sewerage system is a health hazard to the residents of the municipalities and town councils. Demand for public health services is very high in the county and failure of hospital equipment would affect health service delivery.

There is no standalone unit for assets management in Supercounty County, but the function is domiciled in the Department of Finance and Planning. However, the county is aware of infrastructure asset management and has put in place some measures to streamline the asset management process. These include preparation of fixed asset registers (manually) and putting in place of an automated asset management information system (they have issued a tender notice). A draft fixed assets management policy has been developed. The main gaps that were noted during the assessment included over emphasis on asset acquisition with limited focus on maintenance of assets.

Detailed responses from the interview can be found at Annex A.

## **CURRENT ASSET MANAGEMENT PRACTICES – PART 2**

Part 2 of the diagnostic tool was discussed with the local managers to gain an understanding of the current asset management practices used in Supercounty County. The tool consists of fourteen questions and is designed to examine the following three areas of asset management:

- understanding and defining requirements (four questions);

- lifecycle decision making (five questions); and
- asset management enablers (five questions).

The detailed responses provided by the local managers were recorded and can be found at Annex B.

### ASSESSMENT OF CURRENT PRACTICES - PART 3

The objective of the final assessment was to determine local strengths and weaknesses, and recommend areas for improvement and interventions involving asset management coaching and education.

There are four awareness levels to the final assessment. The levels are designed to measure progress as a local government gradually increases its asset management capabilities.

<b>Aware</b>	The county is aware of the need for asset management but has not been able to do so.
<b>Basic</b>	The county is aware of the need for asset management and has started to implement some of the activities.
<b>Progressing</b>	The county has implemented all of the asset management activities in at least one of the categories of assets.
<b>Advanced</b>	The county has implemented the asset management activities in all of the categories of assets under its jurisdiction.

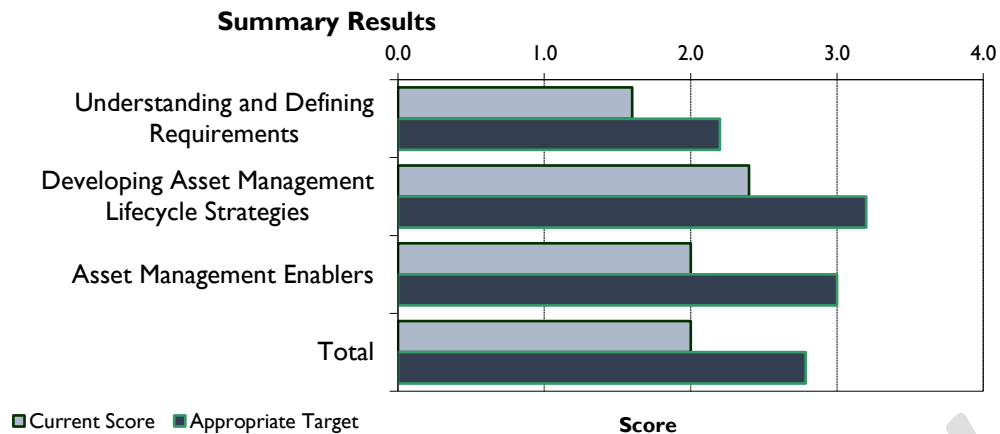
Progression through the levels does not happen instantly; it can take several years and is relative to where the organisation needs to be. A county and municipality does not need to be advanced in every level to be an effective asset manager. The activities required to achieve each level of awareness are detailed at Annex C.

The responses provided by the county officers were compared with the activities associated with each level to assess the level of asset management awareness in Supercounty County. In addition, an assessment was made on where the county could be with support and mentoring from the project. The following figures present the results of the assessment by asset management area and individual questions (components). The detailed assessment and assessor comments to substantiate the scores can be found at Annex D.

*It must be noted that this assessment is based on discussion and review of documents and systems, where provided.*

### Overall Assessment by Asset Management Area

Figure I shows the overall assessment for Supercounty as well as that for each asset management area. The scores for each area range from 1.6 to 2.4 out of 4, with an overall score of 2.0. A target score of 2.2 to 3.2, and an overall score of 2.8 is achievable in the short term (one year) with supported intervention. This is based on the observation that there is a strong recognition of the importance of asset management for the county and a desire to move forward.



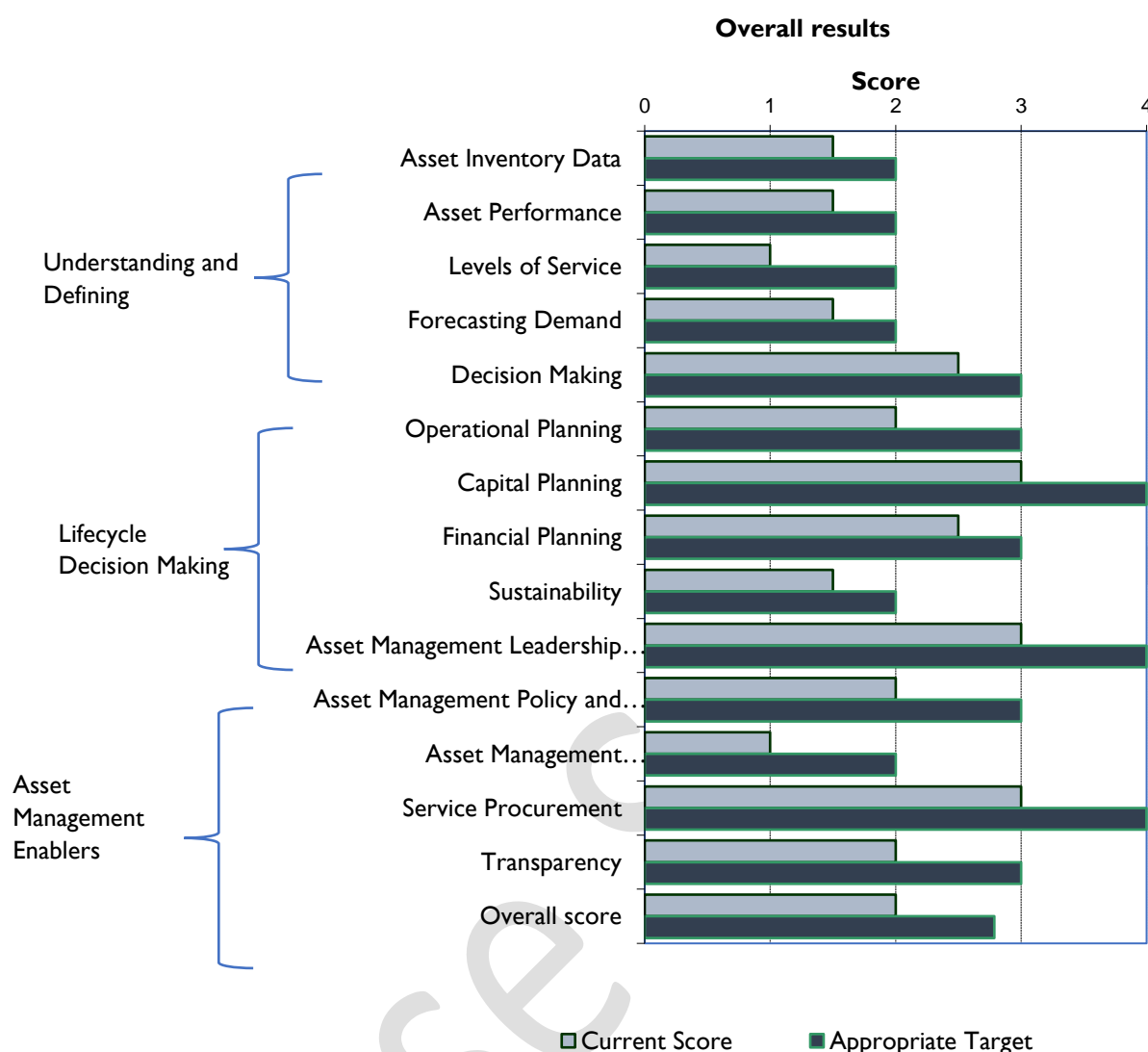
**Figure 1: Summary of Overall Results**

### Assessment by Asset Management Components

The next figure (2) shows the individual results for each question or component. Scores range from 1 to 3 out of 4, with strength in capital planning, asset management leadership and service procurement. Target scores of at least one increment can be achieved with a selection of supported intervention activities.

The recommended areas of intervention to help achieve the target scores are discussed in the next section. Not all interventions are equal. Some require more effort and support than others but many are quite achievable with commitment from the municipality.





**Figure 2: Individual Asset Management Component Scores**

## RECOMMENDED AREAS OF INTERVENTION

Recommended areas of intervention or action for each asset management area are detailed in Tables I-3. Some of these areas are 'quick wins', some are resource/labour intensive whilst others are likely to require external funding.

### INTERVENTIONS – UNDERSTANDING AND DEFINING REQUIREMENTS

All of the interventions recommended in Table I involve additional resources or labour. None of the interventions in this category require external funding. Several are quick wins, in that they can be done immediately without significant resources. They do however, require additional understanding on asset management concepts and a simple guide can be provided by UN-DESA/UNCDF/UNOPS to help with this. Further support through mentoring may also be an option.

**Table 1: Interventions: Understanding and Defining Requirements**

Question	Asset Management Section	Recommended intervention/action
<b>Understanding and Defining Requirements</b>		
1	Asset Inventory Data	Update all assets registers to include their market value and also include advanced information such as depreciation value and condition of assets. Classify the assets into critical and non-critical assets
2	Asset Performance	Collect and document data on condition and performance of assets (use proposed metrics in Asset Management Handbook for condition and performance rating) starting with the critical assets
3	Levels of Service	Undertake surveys to collect quantitative data on levels of service delivery. For example, what is the percentage of urban population that is connected to the sewer. Once current levels of service are established, set specific levels of service delivery for each service and prepare service charters.
4	Forecasting Demand	(1) Conduct surveys and collect data to forecast future demand for services. (2) Use the demand forecasts to determine future asset needs and service delivery levels

The risk to the county of poor data cannot be overstated, especially accurate and up-to-date data on assets. Data is the foundation of asset management. It supports sound decision making, lifecycle management and financial planning. Without good data, decisions are not effective or efficient and assets are not well managed. It takes time to enter data and even more time to correct errors resulting from poor quality control and assurance.

### **INTERVENTIONS – LIFECYCLE DECISION MAKING**

The interventions recommended in Table 2 also involve additional resources or labour. There are some interventions that can be considered quick win because they do not require additional understanding of asset management concepts. The remaining recommended interventions require additional understanding on asset management concepts and a simple guide can be provided by UN-DESA/UNCDF to help with this.

**Table 2: Interventions: Lifecycle Decision Making**

Question	Asset Management Section	Recommended intervention/action
<b>Lifecycle Decision Making</b>		
5	Decision Making	(a) Prepare and document standard operating procedures for making decisions on asset acquisition, repair or replacement. The SOP should provide clear decision criteria for repair or replacement of assets. (b) Develop a policy framework for public participation in decision making with regard to assets management.
6	Operational Planning	a) Develop asset management O&M plans for all assets, starting with the critical assets
7	Capital Planning	a) Put in place measures of accurately estimating the maintenance budget for assets. Currently, it is ad hoc and inadequate. b) Adopt formal capital projects prioritisation framework. The guidelines are provided in the Economic Project Appraisal Manual for Kenya (2021) - <a href="https://www.treasury.go.ke/wp-content/uploads/2021/08/Economic-Project-Appraisal-Manual.pdf">https://www.treasury.go.ke/wp-content/uploads/2021/08/Economic-Project-Appraisal-Manual.pdf</a>
8	Financial Planning	a) Link the asset inventory system to financial planning - including budget provisions for maintenance of assets. There is need for a medium to long-term repair and replacement schedule for all assets, starting with the critical assets b) Link the three-year financial plans for OSR to the capital plans.
9	Sustainability	a) Incorporate sustainability into decision-making, with regard to critical assets. b) Develop a sustainability policy for all departments and promote adoption of user fees for financing of maintenance costs of community projects

### INTERVENTIONS – ASSET MANAGEMENT ENABLERS

Although the last asset management category, this is perhaps the most important as it defines **how** Supercounty county will support its asset management initiatives. All of the interventions recommended in Table 3 involve additional resources or labour and several required external funding. Again, there are quick wins. The first is to identify asset management champions who will meet regularly to prioritize and discuss the county's asset management initiatives. The second is to develop an automated asset management system and identify a system expert who will become the 'go to' person and ensure data integrity in the system. This requires accurate and up-to-date data that is identified under understanding and defining requirements above. The

remaining interventions require resources above the current capacity of the municipality such as long-term mentoring and acquisition of a GIS tool and updating of valuation roll.

**Table 3: Interventions: Asset Management Enablers**

Question	Asset Management Section	Recommended interventions
<b>Asset Management Enablers</b>		
10	Asset Management Leadership and Teams	a) Create more awareness on asset management especially for County executives b) Have a dedicated asset management team (could start with an asset management director or manager, with one asset management officer), with clear functions and roles in asset management, with support from point persons in all user departments c) Include asset management on the agenda of regular management meetings
11	Asset Management Policy and Process	a) Develop an asset management action plan (AMAP) b) Review the draft asset management policy to include policy initiatives across the entire spectrum of asset management (acquire, use, maintain and dispose). c) Develop standard operating procedures for management of assets at county, municipal and town council levels.
12	Asset Management Information Systems	a) Collect all missing asset data (including land and buildings) b) Automate the asset register and include information on condition and performance of the assets, in addition to core asset data. c) Incorporate a GIS component into the asset management system
13	Service Procurement	Develop procurement policy and standard operating procedures for acquisition, use, maintenance and disposal of assets.
14	Transparency	Make public information on tender awards.

## NEXT STEPS

This profile presents an overview of current asset management practices in Supercounty county as well as recommended interventions to help the county to increase its asset management awareness. The next step for the County Executive is to identify their priority areas for technical assistance based on the recommended interventions that will secure local buy-in and ownership of further technical assistance activities. This involves the following actions:

- Review this profile and provide feedback and comments to the mission team by XXX.
- Identify which of the fourteen (14) asset management sections are a priority for the county.

- Identify which recommended interventions/actions are a priority for the county.
- Identify where external support is most required e.g. to help create awareness, teach asset management best practices, help develop asset management policy.
- Identify one or two assets that will become the focus for enhanced asset management.

As discussed during the interviews, it is the intent of UN-DESA/UNCDF/UNOPS to further support the project with a country workshop for local government authorities, as well as targeted asset management training and development for the participating municipalities. Municipalities will be encouraged and assisted with the creation of their own AMAPs to increase their organisational capacity to manage their assets.

Case Study

## ANNEX A – STRATEGIC OVERVIEW RESPONSES

### SELF-ASSESSMENT: OVERALL CONTEXT

<b>Instructions</b>		
Please answer in the context of needs, challenges and change pressures that impact or involve physical infrastructure and real property used by the local government to serve its community. Do not be concerned if some of the questions are not applicable or you are unsure how to answer them as they will be discussed during the onsite interview.		
<b>Questions</b>		
1. Please list three major local government economic, environmental and community development challenges you are facing.		
<ul style="list-style-type: none"> <li>• Changing community priorities and lack of compliance to existing subnational tax codes</li> <li>• Inefficient solid waste management system</li> <li>• Inadequate financial resources</li> <li>• Inefficient revenue collection systems</li> </ul>		
2. Briefly describe the principal goals your local government has set for the next 3-5 years. How do you plan to achieve them? Are they linked to your asset management strategy?		
<ol style="list-style-type: none"> <li>1. Expansion of Physical Infrastructure (Road, Transport and Public Works, Energy and ICT)</li> <li>2. Expansion of Social Infrastructure (Housing, Water &amp; Sanitation, Health Sectors)</li> <li>3. City Upgrade and Urban Development</li> <li>4. Physical assets i.e. Roads, NMT, Paved Parking- Drainage, Office space, 2 Skip loaders and 20 skip bins, Markets, parks and green spaces</li> </ol>		
3. Please indicate which of the following main physical assets are in your local government's inventory (select all that apply).		
<b>Land</b>	<b>Buildings</b>	<b>Infrastructure</b>
Used for offices	Public Buildings/ Health Services	Water Distribution leave ways
Unoccupied/ Available for use	Cultural( markets, bus parks)	Cemeteries
Public markets	Educational (e.g. ECDE centers, TVET centers ))	Street lighting
Stadium	Emergency Services (e.g. fire) _fire stations	Parks & public spaces
	Government Offices	Road Network (including sidewalks/pavements, traffic signals, signage)
Used for Health Facilities	Housing-Residential	Solid waste collection and disposal
	Health (e.g. hospitals, clinics)	Transportation Network (e.g. bus terminals, railways)

	Public lavatories	Wastewater Utilities (including sanitary and storm water collection and treatment)
	Recreational Facilities- stadiums	Water Utilities (including treatment and distribution)
		Flood protection (e.g. storm water retention ponds, dykes, levees, etc)
	Other (e.g. monuments)	Other
<p>4. What is the most Critical Asset that you are managing (a critical asset is an individual asset that is critical to the agency for the delivery of its services and has high consequences in case of failure or loss)?</p>		
<ol style="list-style-type: none"> <li>1. Storm/ Waste/ Sewage Lines/Infrastructure</li> <li>2. Medical equipment</li> </ol>		
<p>5. How does the performance of your critical assets affect the delivery of services in your local government? E.g. Poor roads affect the ability to deliver goods to market and thus have an economic impact.</p>		
<ol style="list-style-type: none"> <li>1. With poor/ failed waste management in the town, it becomes inhabitable and other economic activities suffer losses</li> <li>2. Failure/absence of medical equipment necessary to diagnose a patient will hinder access to medical services</li> </ol>		
<p>6. Who manages the different classes of physical assets in your city? What assets are managed locally and what assets are managed at a higher level (e.g. district or nationally)?</p>		
<p>The county government manages some of the assets while others are managed by the national government</p> <p>Land, building and structures, motor vehicles, motor cycles, heavy machinery, furniture and fittings, computer and ICT equipment are managed by the county government</p>		
<p>7. Who is involved in asset acquisition, operations and maintenance and the disposal of assets? Is there a documented decision making process? If so, please provide a copy.</p>		
<p>The assets are acquired through the procurement laws and the standard operating procedures which involves request by the user department, which is then approved by the accounting officer before it is then floated for tendering by the supply chain unit. Operation and maintenance is normally done by the user department while disposal has to be done as per law provisions though we have never done disposal.</p>		
<p>8. Have you had any external review of your asset management practices or plans previously? If so, what was the outcome?</p>		
<p>Yes</p> <p>Identification of various gaps noted like the lack of asset registered, asset management policy not in place and tagging of assets not done, assets automated system not in place etc.</p>		
<p>9. Briefly describe any asset management improvement initiatives currently in progress, or already planned for the next year (e.g. implement a GIS, improve inventory data, etc).</p>		

1. Asset registers update ongoing
2. Procurement of asset automated system in progress
3. Asset management policy in progress awaiting finalization

10. Please list the major national laws, regulations and policies that govern how you manage your assets.

The Kenyan Constitution 2010

1. The Public Finance Management Act 2012
2. The Public Procurement and Asset Disposal Act 2012
3. The County Government Act
4. The Public Officer Act
5. The Cities and Urban Area Act
6. The Lands and Physical Planning Act

11. Where do you need the most support/help to improve? How can we help you?

- Capacity building and financial support
- Training and Sensitizing public officers the needs for proper asset management
- Financial support towards establishing organization structures for asset management both legal and administration
- Financial support towards valuation of assets and its operationalization
- Uncontrolled development
- Building internal technical capacity

## ANNEX B – CURRENT PRACTICES RESPONSES

Question #	Asset Management Section	Questions	Answers
<b>Understanding and Defining Requirements</b>			
1	<b>Asset Inventory Data</b>	What asset inventory information does the County government collect (e.g. location, size, type, material, cost, etc), how is it classified and how does the local government ensure the information is accurate, consistent and usable?	The asset register has the following categories, though information is not collected for all the categories i.e. no information on depreciation (rate, annual and cumulated), net value, among others. Registration number (for vehicles or motorcycles); Make/type; Chassis number; Responsible department; Year of purchase; Supplier; CC rating/engine capacity; LPO number; Purchase price; Rate of depreciation; Annual depreciation value; Cumulative depreciation value; Net value; Physical location; Status of asset (fully functional/running, serviceable etc).
2	<b>Asset Performance</b>	How does the local government measure and manage the condition and performance of	Periodic inspection of all assets but asset performance not measured



Question #	Asset Management Section	Questions	Answers
		its assets? Are the records updated and if so, when?	Updating done bi-annually
3	<b>Levels of Service (LOS)</b>	How does your local government determine an appropriate level of service for the services it delivers to its customers? How does it ensure that asset performance meets those service levels?	<p>Some metrics for measuring service delivery are provided:</p> <ul style="list-style-type: none"> <li>• The number of kilometers covered for the roads construction/excavation</li> <li>• The number of kilometers covered for servicing of vehicles</li> <li>• Minimum acceptable service charter hours</li> <li>• Minimum standard hours of water supply before breakages</li> <li>• Satisfactory levels of customers for services offered</li> </ul>
4	<b>Forecasting Demand</b>	How does your county government forecast demand for its services and the impact this demand will have on its assets? How reliable are the methods that are used?	<p>Forecasts are made using the following (but to a very limited extent)</p> <ul style="list-style-type: none"> <li>• Population data available</li> <li>• The rate of urbanization and migration to urban centres</li> </ul>

Question #	Asset Management Section	Questions	Answers
<b>Lifecycle Decision Making</b>			
5	<b>Decision Making</b>	How does your county government go about making decisions on the replacement, refurbishment or disposal of existing assets or investment in new ones?	<p>Decisions are guided by the following</p> <ul style="list-style-type: none"> <li>• Cost of maintaining/ repairing assets</li> <li>• Depends on priorities in ADP and CIDP</li> <li>• Public participation to decide on projects</li> <li>• Consider budget ceiling i.e. a minimum of 30% of development expenditure</li> </ul>
6	<b>Operational Planning</b>	How does the county government plan and manage its assets to keep assets in service and meet local needs?	<p>Through asset register maintenance, need analysis and gap identification. For example through the assets register we are able to know the assets that have depreciated and needs maintenance or replacement. This will inform the procurement and disposal planning.</p> <p>Most maintenance of assets is reactive. Maintenance plan for motor vehicle available</p> <p>Department of roads have a maintenance plan for maintenance of roads and street lighting</p> <p>Each department submits a budget for maintenance, which is then included in the budget</p> <p>The budget ceiling stipulates how much is spent on each category – this determines the allocation to maintenance e.g. bills for maintenance for street lighting are higher than what is provided for in the budget. Same to water</p>
7	<b>Capital Planning</b>	How does the county government plan and prioritise investment in upgrading or acquiring/purchasing new assets?	<ul style="list-style-type: none"> <li>• Capital investment planning is achieved through the preparation of the County Annual Development Plan which is derived from the Five Year County Integrated Development Plan (CIDP)</li> <li>• The investment plan for each year is limited to budget ceiling/allocation for capital expenditure to each County Department</li> <li>• Through the departmental assets needs strategy /plans</li> <li>• Need to need basis</li> <li>• Annual procurement plans</li> <li>• Annual departmental development plans</li> <li>• Once the budget is prepared and approved, the procurement department prepares an annual procurement plan based on the approved budget.</li> </ul> <p>Implementation of procurement plan entails requisitions by departments, preparation of tender documents, advertisement, receipt and evaluation of tender bids and selection of suppliers based on the evaluation criteria</p>

Question #	Asset Management Section	Questions	Answers
8	<b>Financial Planning</b>	How does your county government project revenues and expenses, and plan for the funding of its future expenditure and asset-related costs?	<p>The county prepares a county fiscal strategy paper that provides information on revenues and expenditures, including asset-related revenues and expenditures</p> <p>Forecast done on 3 year – MTEF</p> <p>Revenue forecast based on previous performance – no forecasting models</p> <p>Revenue streams mapping exercise done to enable projection of revenue</p> <p>The revenues collected from assets do not meet the cost of maintenance due to low compliance – supplement with transfers from national government</p>
9	<b>Sustainability</b>	How does your county government incorporate principles of sustainability into managing its assets?	<p>Economic perspective – use of user fees to finance maintenance budget</p> <p>Water rationing to maintain supply – residents not supplied with water daily</p> <p>Public participation in development of Finance bill</p> <p>Use of solar powered water boreholes</p>

Question #	Asset Management Section	Questions	Answers
<b>Asset Management Enablers</b>			
10	<b>Asset Management Leadership and Teams</b>	What is the level of county governmental awareness of and commitment to asset management? How is this reflected in existing county government structure and responsibilities?	<ul style="list-style-type: none"> <li>• The county has set up an asset management unit at the county treasury and incorporated all other departments through county assets committee</li> <li>• It is at formative stages and is to anchor it structurally</li> <li>• Charged with responsibility of maintaining asset registers, collaborates with departments to offer advisory services</li> <li>• Accounting officers in every dept charged with responsibility of managing assets in their depts</li> <li>• The asset unit supports departments to comply with laid down guidelines for asset management</li> <li>• Undertakes annual verification of assets</li> <li>• Asset management unit has been operational for four years but was created in 2014/15</li> </ul>
11	<b>Asset Management Policy and Process</b>	How does your county government ensure that its asset management policies and processes are appropriate and effective?	<ul style="list-style-type: none"> <li>• Draft policy has been developed</li> <li>• Incorporated views of all departments – wide stakeholder engagement</li> <li>• The policy has been shared with national treasury for concurrence – will be taken to cabinet for discussion and adoption</li> <li>• Through internal audit/ reviews</li> <li>• Follow ups and further trainings</li> </ul>
12	<b>Asset Management Information Systems</b>	How does your county government meet the information needs of asset managers, customers and the community?	<ul style="list-style-type: none"> <li>• Currently a manual system – register for land and buildings not complete.</li> <li>• Challenge – some assets not fully handed over to the county government</li> <li>• The country is in the process of procuring an asset management solution to automate the asset data</li> <li>• Land management information system being developed</li> </ul>
13	<b>Service Procurement</b>	<p>How does your county government procure asset-related services e.g. equipment parts, real estate appraisal, construction services for different assets?</p> <p>How does the county government exercise control over any outsourced asset management services?</p>	<p>The county procures its assets through open tenders, which are normally floated in the newspapers as well as on the e-platforms IPP. The bids are competitive.</p> <p>The team participated in opening of tender documents and noted that over 75% of the received tenders did not comply with the basic requirements.</p>

Question #	Asset Management Section	Questions	Answers
14	Transparency	How does your county government ensure transparency in its management of assets?	<ul style="list-style-type: none"> <li>• The county ensures there is transparency in asset management through involvement of bidders during the closing/ opening of tenders.</li> <li>• There is a clear tender evaluation criteria –, technical – evaluates <u>technical</u> capacity of the firm, experience (magnitude in terms of budget, kind of jobs done previously, financial capacity of the firm (bank statements, financial ratios, litigation cases), whether firm exists (not a briefcase firm) – Financial ranking – choose lowest price evaluated tender.</li> <li>• The county has a clear evaluation criteria for tenders</li> <li>• When financial statements are prepared, a list of assets is annexed.</li> <li>• The reports are audited by the auditor general</li> <li>• The information is available online.</li> <li>• The Board of survey is done annually – a team drawn from staff who are appointed to verify assets that available during the year and previous years</li> </ul>

## ANNEX C – LEVELS OF AWARENESS

Question #	Asset Management Section	Asset Management Awareness			
		Aware	Basic	Progressing	Advanced
		1	2	3	4
Understanding and Defining Requirements					
1	Asset Inventory Data	The local government understands the need to collect asset data and may have started to collect it.	Basic physical information (e.g. location, size, type) is recorded manually or electronically in a spread sheet. The date of collection, who it was collected by and how is also recorded.	Information is collected electronically. In addition to physical information, information such as replacement costs, approximate age, asset value, etc is also gathered. Assets are classified by groups, classes, service provided, by holder or a combination thereof.	Complete and accurate data is available for all assets, including new assets. Data is easily accessible to all who require it. There is a high level of confidence in critical asset data. Valuation is based on market value or replacement cost.
2	Asset Performance	Asset condition and performance are understood but may not be quantified or documented.	Asset condition, use, and/or suitability data and information are gathered and used to monitor asset performance.	Condition and performance information is used to plan maintenance and renewals over the short term.	Condition and performance information is used to estimate future demand and long term needs.
3	Levels of Service	The local government recognises the benefits of defining levels of service but they may not be documented or quantified.	Basic levels of service have been defined and agreed. Customer needs are understood for critical assets.	Levels of service and appropriate performance measures are in place covering a wide range of services for most assets. Customer needs are analysed.	The cost associated with meeting higher level of service is understood and used in financial planning.
4	Forecasting Demand	Future demand is considered but may not be documented or quantified.	Estimates of future demand are based on staff experience and knowledge.	Estimates of future demand are documented based on historic trends and population	Estimates of future demand are used in asset management planning to best meet future needs.

Question #	Asset Management Section	Asset Management Awareness			
		Aware	Basic	Progressing	Advanced
		1	2	3	4
				growth estimates.	

Question #	Asset Management Section	Asset Management Awareness			
		Aware	Basic	Progressing	Advanced
		1	2	3	4
Lifecycle Decision Making					
5	Decision Making	Asset management decisions are based largely on staff judgement and vary with the individual manager.	Formal decision-making techniques (e.g. using cost/benefit analysis) are used by some managers.	Formal decision making techniques (e.g. using cost/benefit analysis) are used and consistently applied to major projects and programs.	Community planning and strategic priorities of the local and national government are incorporated into decision-making and considered by all managers.
6	Operational Planning	Operating and maintenance decisions are made by each individual manager on an as-needed basis.	Operating procedures are established and documented for critical assets and specific staff are assigned to manage the operations.	Operating procedures are established and documented for all major asset categories, with accountable staff in place.	Operating procedures are established, staff is assigned, and operations are tracked to ensure service levels are met.
7	Capital Planning	Most capital investments are done on an as-need basis and funds are available.	Capital investment projects are identified during an annual budget process.	There is a schedule of the major proposed capital projects and associated costs for the next 3-5 years, based on staff judgement of future requirements.	There is a complete schedule of proposed capital projects for the next 3-5 years. A prioritisation framework is used to rank the importance of capital projects.
8	Financial Planning	Financial resources are hard to identify and predict, and vary a lot from year to year so the current financial focus	Financial planning is largely done through an annual budget process based on previous experience and broad	In addition to an annual budget, 3-5 year financial forecasts of asset revenue, costs and expenses are made.	Financial forecasts (3-5 years) are done based on well-reasoned assumptions/reliability factors. Managers know what resources they have available to operate and upgrade the assets under their control.

Question #	Asset Management Section	Asset Management Awareness			
		Aware	Basic	Progressing	Advanced
		1	2	3	4
		is on current operations rather than long term planning and asset values.	assumptions about the future.		
9	Sustainability	The need for sustainable service delivery is understood by policy makers but may not be considered in decision making by local government staff.	The need for sustainable service delivery is understood by policy makers and local government staff consider it in decision making.	Policies are in place related to sustainable service delivery for critical assets, but decisions are not always consistent with the policies.	Sustainable practices are a high priority for both staff and policy makers. Policies adopted by local government are widely understood and provide clear direction on how the local government will achieve sustainable service delivery. Policies are a regular reference for guiding decisions.

Question #	Asset Management Section	Asset Management Awareness			
		Aware	Basic	Progressing	Advanced
		1	2	3	4
Asset Management Enablers					
10	Asset Management Leadership and Teams	Local government recognises the benefits of an asset management function within the local government, but has yet to implement a structure to support it.	Local government recognises the benefits of an asset management function, and is working towards implementing a structure to support it.	Asset Management functions are performed by some departments with asset management duties assigned to operations staff.	There is ownership and support of asset management by local government leaders. Asset management responsibilities are coordinated across the organisation.
11	Asset Management Policy and Process	The local government has an awareness of the need to formalise asset management policies and processes.	Policies and processes are in place for management of critical assets.	Asset Management Plans containing basic information on assets, service levels, planned works, financial forecasts, and future improvements are being developed.	Asset management policies, processes and plans are aligned to community needs, financial plans and resources.



Question #	Asset Management Section	Asset Management Awareness			
		Aware	Basic	Progressing	Advanced
		1	2	3	4
12	Asset Management Information Systems	Local government does not yet track asset information.	Asset information is tracked manually but the local government has the intention to use electronic means.	The asset management information system can record core asset data, e.g. size, material, location, age, etc. Asset information reports can be manually generated for various needs.	The asset management information system also captures performance data and enables some standardised electronic reporting. There may be a Spatial relationship capability (GIS).
13	Service Procurement	Individual managers procure services based on their individual best judgement.	Standard processes are in place for procuring services across key departments.	Procurement policies are in place. Competitive tendering practices are applied to some services.	Risks, benefits and costs of various outsourcing options have been considered and determined. Competitive tendering practices applied with integrity and accountability.
14	Transparency	The local government is committed to transparency in its operations.	Some local government information is accessible to the public.	Local government information including decisions, audited financial statements, policies and processes, etc are accessible to the public but may not be current.	There is community involvement in decision making and consistent application of asset management policies and procedures. Local government information including decisions, audited financial statements, policies and processes, etc are current and easily accessible to the public.

## ANNEX D – ASSESSMENT

Question	Section	Comments	Assessor Score	Target Score	Reason for scores	Evidence to support score
<b>Understanding and Defining Requirements</b>						
1	<b>Asset Inventory Data</b>	The county government collects asset data and prepares asset registers. The asset registers are recorded manually in an excel sheet.	1.5	2	The county government collects asset data and prepares asset registers. The asset registers are recorded manually in an excel sheet. However, information on date of collection, who collected the information and valuation of assets is not done. Asset registers are also not complete i.e. for land and buildings	Asset Registers
2	<b>Asset Performance</b>	Asset condition and performance data is collected and included in the asset register, but using general categories (whether running or serviceable)	1.5	2	Information on asset condition and performance is collected and documented in asset registers but only for some of the assets i.e. not available for land and buildings. In addition, the categorization is quite general (running or serviceable - no details on what type of service is needed - whether routine maintenance, minor service or major service)	Asset Registers
3	<b>Levels of Service</b>	The county recognizes the importance of measuring the levels of service but has not identified and documented the specific measures of service delivery.	1	2	The levels of service are not well identified, quantified and documented. Most of them are qualitative.	The County Integrated Development Plan (2018-2022)
4	<b>Forecasting Demand</b>	The government provides forecasts of population and rate of urbanization.	1.5	2	There is no evidence of the estimates of future demand being used in the asset management planning.	Focus Group Discussions
<b>Lifecycle Decision Making</b>						
5	<b>Decision Making</b>	Decisions are guided by cost of repairs, provisions of asset requisition in the Annual Development Plan (ADP), and availability of resources (30% of budget being allocated to development budget)	2.5	3	There are some formal documented procedures for replacement of some assets such as motor vehicles. But for majority of the assets, the cost of service and asset lifespan are considered even though this is not documented	Focus Group Discussions

6	<b>Operational Planning</b>	Some of the critical assets such as hospital equipment have maintenance registers. However, most operational decisions are on a need basis	2	3	Operational decisions are on a need basis and are usually initiated by the user departments. Operating procedures for some critical assets such as hospital equipment are well documented through planned maintenance schedules.	Focus Group Discussions
7	<b>Capital Planning</b>	Identification of capital projects is done for the medium term (5 years) and included in the County Integrated Development Plans, which are actualized through the Annual Development Plans and annual budgets. Prioritization is done through public participation.	3	4	There is no formal prioritization framework for ranking capital projects. Prioritization is done through public participation, but not an economic investment decision criteria.	MTEF Budgets, Development Budgets, 2020 Investment Plan for Pleasantville Municipality
8	<b>Financial Planning</b>	Financial planning is done through annual budget system (includes both a County Fiscal Strategy Paper and MTEF budget estimates). Accounting is accrual based and is done in line with international standards. The process is transparent and timely	2.5	3	Capital projects are financed through the development budget. However, focus is only on acquisition of new assets. Financial reporting is not fully compatible with the asset inventory system. The Supercounty City and Pleasantville municipality have Capital Investment Plans.	County Fiscal Strategy Paper 2022, MTEF Budgets, Development Budgets, Capital Investment Plans
9	<b>Sustainability</b>	Sustainability is not explicitly determined in decision making	1.5	2	Sustainability is considered in decision making but to a very limited extent	Focus Group Discussions
<b>Asset Management Enablers</b>						
10	<b>Asset Management Leadership and Teams</b>	The county has set up an asset management unit at the county treasury and incorporated all other departments through county assets committee	3	4	There is a specific department dealing with asset management that is headed by an asset manager. However, their roles do not cover the entire spectrum of asset management i.e. mostly focuses on preparation and updating of asset registers. Accounting officers in every department are charged with the responsibility of managing assets in their departments	An Asset management unit that is headed by an asset manager is in place

11	<b>Asset Management Policy and Process</b>	The county government is aware of asset management policies and has developed an asset management policy.	2	3	The draft policy is in place but does not include specific guidelines on maintenance of assets. In addition, there are no asset management plans.	Draft Asset Management Policy Focus Group Discussions
12	<b>Asset Management Information Systems</b>	There is a manual asset register but only has basic information. There is no asset register for land and buildings (in the process of being developed)	1	2	The county government has manual asset registers (though incomplete) but they are not used to inform operational and financing planning	Asset Registers
13	<b>Service Procurement</b>	Procurement policy is not in place but national procurement legislation is applied.	3	4	The procurement law requires that tendering process is done competitively. But risks, benefits and costs of various options are considered to a very limited extent.	Public Procurement and Disposal Act.
14	<b>Transparency</b>	Information on tender awards is not readily available	2	3	The law requires that all procurement decisions are published. But the information on tender awards is not available both on the county website and on the public procurement portal	<a href="https://Supercounty.go.ke/tender-documents/">https://Supercounty.go.ke/tender-documents/</a> and <a href="https://tenders.go.ke/Home">https://tenders.go.ke/Home</a>