



KENYA INSTITUTE OF SUPPLIES MANAGEMENT

Promoting Professionalism in Supply Chain Management

PUBLIC STATEMENT

KISM STATEMENT ON THE SUSPENSION OF 59 MEMBERS OF THE SUPPLY CHAIN TEAM AT KENYA POWER & LIGHTING COMPANY PLC

Kenya Institute of Supplies Management (KISM) is established under Section 3(1) of the Supplies Practitioners Management Act, 2007 (the SPMA) to *inter alia*, register, license all supplies practitioners in Kenya and to regulate their practice. It has a direct interest in professionalizing the supply chain management and protecting its members against unfounded allegations and actions that bring the profession into disrepute.

The Council of KISM has read with profound shock and surprise the announcement released jointly by the Kenya Power & Lighting Company PLC (KPLC) Chairman, Board of Directors **Vivienne Yeda, OGW** and the Ag. Chief Executive Officer, **Eng. Rosemary Oduor** on the suspension of 59 Supply Chain Management staff.

The implication is that the Supply Chain Management team is at the centre of the well-documented management and leadership challenges that have seen the critical power utility company teetering on the brink of collapse in the past. Some of these issues are alive in court.

The suspension of the 59 Staff Members is ostensibly being justified in the context of the recent recommendations made by the team appointed by His Excellency the President, to investigate what ails the company and recommend urgent remedial measures. A forensic audit of the Supply Chain process was one of the recommendations.

But nowhere in the report is there a recommendation to suspend the 59 members of the supply chain management team. On the contrary, the selective profiling of the 59 employees further suggests that they are solely responsible for all the operational and financial problems faced by KPLC. This cannot be true! This will

not only ruin the reputations of the individuals but will also have the unfortunate effect of diverting attention from the real cause of the deeply entrenched institutional problems.

The architecture of the Public Procurement and Asset Disposal Act constructs the public procurement and asset disposal process as collegial, with specific roles assigned to various entities, from the Board of Directors, the Accounting Officer (the CEO in the Kenya Power case), the Head of Procurement, the User or Technical Department, the Evaluation Committee, the Contract Implementation Team, to the Inspection and Acceptance Committee.

Specific to the Power Purchase Agreements, which is at the Centre of the Taskforce Report, the Council would like to reiterate that the Procurement Division plays absolutely no role in these agreements. These are managed by the Strategy and Engineering Divisions under CEO's purview.

Whereas the KISM Council fully supports the recommendations to clean up the rot at KPLC across all functions, we however strongly condemn what we see as a deliberate effort to profile, castigate and unfairly target members of the procurement team who are merely a part of an extended supply chain which is headed by the Accounting Officer of the organization.

The conductor of this elaborate orchestra remains the Accounting Officer. The Accounting Officer drives, directs, and controls the process and must therefore remain fully accountable for any acts of omission or commission in the procurement of public goods, works, and services.

Any investigatory process – whether criminal or merely auditory – must note this segregation but inter-related nature of the process and hold each public officer accountable for any breach in their respective functions. This will mitigate against the generalized condemnation of Supplies Practitioners for mistakes that are committed or are attributable to the Accounting Officers or the user/technical departments.

In the specific case of KPLC, we urge caution and call on the Board and top management to refrain from the obvious bias displayed against the supplies management team. All efforts must be made to urgently recalibrate the audit and investigate everyone involved in the activities that have brought down the profitability of KPLC.

We at KISM stand on the side of professionalism and integrity in Supplies Management and commit to providing technical assistance, expertise and capacity building on the procurement and disposal processes to aid clinical investigations and prosecutions in criminal, civil and administrative cases.

We appeal to Cabinet Secretary (CS) National Treasury and CS Energy and Public Service Commission to urgently intervene in the plight of the victimized members of the Supply Chain Team at KPLC and ensure a fair and transparent process is effected in un-earthing the rot at KPLC.

BY ORDER OF THE COUNCIL

John Karani MCIPS, MKISM
Chairman of the Council