

**THE FINANCIAL FACTORS AFFECTING OPERATIONAL
EFFICIENCY OF WATER COMPANIES IN KAKAMEGA
COUNTY: A CASE STUDY OF KAKAMEGA WATER
SERVICES COMPANY**

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**A RESEARCH PROJECT PRESENTED IN PARTIAL
FULFILMENT OF THE REQUIREMENTS FOR THE AWARD
OF THE DEGREE OF BACHELOR OF COMMERCE
(ACCOUNTING OPTION) OF MOUNT KENYA UNIVERSITY**

APRIL, 2016

ABSTRACT

This paper sought to examine financial factors affecting the operational efficiency of water companies in Kakamega County. It was driven specifically by the fact that despite great improvement in the sector, water companies have not yet achieved operational efficiency. It was guided by four objectives: To assess the Effect of Firm's profitability on the Operation Efficiency of Water Companies in Kakamega county, to assess effect of revenue collection efficiency on Operation Efficiency of Water Companies in Kakamega county, to evaluate the effect of size of the firm on Operation Efficiency of Water Companies in Kakamega county and to evaluate the effect of Operation and Maintenance cost on Operation Efficiency of Water Companies in Kakamega county. A descriptive survey design was employed where stratified sampling was used to select a sample of 30 respondents. Interview schedules and the questionnaire were administered as the main tools for data collection.