

REPUBLIC OF KENYA
MACHAKOS COUNTY ASSEMBLY

OFFICIAL REPORT

Tuesday, 9th July, 2019

The House met at 2.42 p.m.

[The Deputy Speaker (Hon. Museku) in the Chair]

PRAYERS

Hon. Deputy Speaker: Do we have quorum? Serjeant at Arms, can you please ring the bell we do not have quorum? Ring the bell for 10 minutes. Okay, Serjeant at Arms, you may stop ringing the bell, we have quorum. Mr. Clerk, proceed.

NOTICE OF MOTION
REPORT ON EDUCATIONAL TOUR TO GREECE

Hon. Deputy Speaker: Good afternoon, Hon. Members. Under this Order, we have one notice of motion to be given by the Hon. Majority Leader Mark Muendo.

Hon. Muendo: Thank you, Hon. Speaker. Notice of motion by chairperson of committees but I will be standing on his behalf.

Hon. Speaker, that aware that the County Assembly leadership took part in an educational tour in Greece from 6th to 12th April, 2019 which was organized by the Honorary Consulate of the Republic of Kenya in the Hellenic Republic; Further aware that the objective of the tour was to provide an opportunity to members to gain first-hand experience on how Greece had improved its agricultural and food processing system by visiting agricultural and food processing industries and service companies and also by having scheduled meetings with key policy makers;

Appreciating that the delegation attended several consultative meetings with the Board of Directors, Chamber of Commerce and Industry of Korinthia, Head of the Peloponnese Region and also got to visit among others the Hellenic Juice Industry, S. Rokizas SA Industry and Alea Lakonica Factory;

Hon. Speaker, I wish to give the notice of motion that this Hon. House discusses and approves the report of the County Assembly leadership Educational tour in Greece on agriculture and food processing.

Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Mark Muendo. Mr. Clerk, proceed.

STATEMENT SOUGHT

ACCIDENTS AT KWA KAKONZI AREA ALONG MUMBUNI-KATHIANI ROAD

Hon. Deputy Speaker: Hon. Members under this Order, we have one statement by the Hon. Dominic.

Hon. Ndambuki: Thank you, Hon. Speaker. Hon. Speaker, pursuant to Standing 41(1), I wish to seek the following statement; what the County Government and the Kenya National Highways Authority otherwise known as KeNHA are doing to curb accidents along Mumbuni-Kathiani specifically at Kwa Kakonzi area. Hon. Speaker, it is worth noting that the road is unmarked and lacks essential road signs and guard rails hence posing a great danger to the road users. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you Hon. Dominic for that statement on effects on what the County Government is doing to curb accidents. I think this is just a statement which has been laid to be brought upon the executive for them to advise us on issues pertaining this road and therefore, I would suggest that this is committed to the committee on transport and they should come back or bring a report to the House by the 30th of July 2019. So, transport committee, report back to the House on or around the 30th of July, 2019. Mr. Clerk, proceed.

MOTION

REPORT ON THREE QUARTERS EXPENDITURE BY THE DEPARTMENT OF LABOUR, PUBLIC SERVICE AND ICT FOR 2018/19

Hon. Deputy Speaker: Hon. Members, under this Order, we have one motion and this is by the Hon. Francis Kalumu, chairperson Labor, Public Service and ICT committee. Hon. Francis.

Hon. Kalumu: Thank you, Mr. Speaker. I will not move the motion because it was moved before. I will go directly to reading of the report.

Hon. Deputy Speaker: Hon. Kalumu, I think the best thing would be for you to.....you said you moved the motion and after it was moved, was it seconded?

Hon. Kalumu: Yes.

Hon. Deputy Speaker: By whom?

Hon. Kalumu: Hon. Agatha. Let me repeat.

Hon. Deputy Speaker: Because the secretariat does not seem to be aware of the that; let us go through it again.

Hon. Kalumu: Alright.

Hon. Speaker, that aware that Article 183(3) of the Constitution of Kenya 2010, states that the County Executive Committee Members shall provide the County Assembly with full and regular on all full matters relating to the county; Further aware that pursued to Section 39(2) of the County Governments Act 2012 which states that a committee of the County Assembly may require a Member of the Executive to attend or appear before the committee and answer any question letting to the Member's responsibility; Appreciating that the labour committee invited the Chief Officer, Labour Public Service and ICT to a committee meeting to discuss the departmental report on 3rd June, 2019 and consequently, compiled a report on the same; Hon. Speaker, I wish to move the Motion that this Hon. House discusses and approves the report of the labour, public service and ICT committee on 1st, 2nd and 3rd quarter expenditure for department of labour public service and ICT for the year 2018/2019.

Thank you, Hon. Speaker. I call upon the Majority Deputy Leader to second.

Hon. Kiteng'u: Thank you Hon. Speaker. I do second.

Hon. Deputy Speaker: Thank you, Hon. Justus. Hon. Kalumu.

Hon. Kalumu: Report of the labour, public service and ICT committee on 1st, 2nd and 3rd quarter expenditure for department of Labour, Public Service and ICT for the year 2018/2019

INTRODUCTION

Hon. Speaker, Article 183(3) of the Constitution of Kenya 2010 stipulates that the County Executive Committee members shall provide the County Assembly with full and regular report on all matters relating to the County. Further, Article 185(3) states that the County Assembly, while respecting the principle of separation of powers, may exercise oversight over the County executive committee and any other county executive organs.

Hon. Speaker, based on the above provisions, the Chief Officer in charge of the Department of Labour submitted a departmental status report for the first, second and third quarter of the financial year 2018/19 that is the period of 1st July, 2018 to 31st March, 2019.

Hon. Speaker, quarterly reports are important tools in assisting the oversight mandate of County Assemblies as they provide useful information such as absorption rate of funds allocated, status of development projects and performance levels of departments; Chief Officers of the various county departments are required by the County Governments Act, 2012 to provide timely quarterly reports to the County Assembly to aide its oversight role.

MANDATE OF THE COMMITTEE

Hon. Speaker, the committee on Labour, Public Service and ICT was established pursuant to Standing Order 190 and the Second Schedule of the Standing Orders define its mandate as follows; all matters relating to Labour, trade union relations, manpower or human resource planning; information, communication and technology.

Further, Hon. Speaker, Standing Order 190(5) mandates sectoral committees to study the programme and policy objectives of the departments and the effectiveness of the implementation.

TERMS OF REFERENCE

Hon. Speaker, the committee adopted the following terms of reference:

- a) Overview of the approved departmental budget for the financial year 2018/19.
- b) Actual expenditures for the department as at 31st March, 2019.
- c) Committee observations and recommendations.

COMMITTEE COMPOSITION

Hon. Speaker, the committee is comprised of thirteen Hon. Members as listed below:

- | | |
|---------------------------|------------------|
| 1. Hon. Francis Kalumu | Chairperson |
| 2. Hon. Agatha Mutunga | Vice-Chairperson |
| 3. Hon. Alex Kamitu | Member |
| 4. Hon. Christine Koki | ” |
| 5. Hon. Constance Nzioki | “ |
| 6. Hon. Irene Mbivya | “ |
| 7. Hon. Jacinta Luka | “ |
| 8. Hon. Joshua Nzuki Muli | “ |
| 9. Hon. Justus Katumo | “ |
| 10. Hon. Nicholas Mutuku | “ |
| 11. Hon. Paul Nyanzi | “ |
| 12. Hon. Rozina Kanini | “ |
| 13. Hon. Dominic Ndambuki | “ |

OVERALL 2018/19 BUDGET

Hon. Speaker, in the financial year 2018/19 the department had a total budget of Ksh. 446,435,959 comprising of Ksh. 433,735,959 for Recurrent and Ksh. 12,700,000 for development.

The first quarter is usually the period from 1st July to 30th September. The second quarter follows from 1st October to 31st December. The third quarter runs from 1st January to 31st March and lastly the fourth quarter from 1st April to 30th June.

*OVERVIEW OF THE APPROVED BUDGET 2018/19**Development vote*

Hon. Speaker, the committee observed that the department of Labour, Public Service and ICT had an approved Development budget of Ksh. 12,700,000 in the financial year 2018/19. In the financial year the department intended to utilize the funds in the following programs:

- a. Ksh. 1,000,000 – non- residential buildings.
- b. Ksh. 700,000 – purchase of furniture and fittings.
- c. Ksh. 3,000,000- purchase of specialized plant equipment and machinery (ICT networking, communications equipment, backup, GPS, call centers and other software.
- d. Ksh. 8,000,000 – Overhaul of plant, machinery and equipment-CCTV.

Recurrent vote

Hon. Speaker, the committee observed that the department of Labour, Public Service and ICT had an approved recurrent budget of Ksh. 433, 735,959; the funds were intended to facilitate among others:

- a) Training expenses, of Ksh. 3,000,000, a pending internet connection bill of Ksh. 3,000,000.
- b) A loan Fund of Ksh. 60,000,000 which comprised of Housing loans to public servants of Ksh. 40,000,000 and Car loans to public servants of Ksh. 20,000,000.
- c) Gratuity of contracted staff of Ksh. 75,000,000, Government pension and retirement benefits of Ksh. 89,700,000.
- d) Insurance costs of Ksh. 101,000,000 comprising of Ksh. 90,000,000 for the NHIF medical cover, Ksh. Insurance Costs other of Ksh. 10,000,000 and motor vehicle insurance of Ksh. 1,000,000.
- e) Compulsory contributions to National Social Security Fund of Ksh. 97,175,000.

DEPARTMENTAL EXPENDITURE DURING PERIOD UNDER REVIEW AS PRESENTED BY THE CHIEF OFFICER

Hon. Speaker, below is a table of how the department utilized its recurrent expenditure during the period under review.

S/N	ITEM	AMOUNT	JUSTIFICATION
1	Training Expenses	3,000,000	Training expenditure was used to train officers on mandatory promotional courses at Kenya School of Law
2	Internet	3,000,000	The amount was used to pay current fiscal years internet connection bills which are contracted to Safaricom Limited for all county offices including the hospitals and sub-county offices
3	Loan Fund	60,000,000	Ksh. 40 million was budgeted for creation of a staff mortgage fund whilst Ksh. 20 million was for staff car loan fund. However, up to date the loan fund has not been operationalized as the still in the process of formulating an operationalization policy for the Fund
4	Government Pensions and retirement benefits	89,700,000	Ksh. 75 million was budgeted to cater for gratuity for contracted staff which has been completely utilized in payment for gratuity to CPF Fund. Ksh. 14,700,000 was budgeted to pay for a balance of CBA arrears arising from former local authorities
5	Insurance Costs	101,000,000	Ksh. 72.5 million was spent to pay for an enhanced staff medical cover premium to NHIF. This scheme is similar to civil servants cover with NHIF Ksh. 11,172,000 paid for executive medical cover for previous financial year. Ksh. 13.8 million was committed to procure a separate medical cover for the executive team i.e. CECs, Chief Officers, Board members and Advisors.

			Kshs. 8.4 million was committed to procure for Work Injury Benefits Act (WIBA) for staff
6	Compulsory contribution to NSSF	97,175,000	This is a contribution to the staff pension fund. It is budgeted to cater for employers contribution towards pension of permanent staff

Hon. Speaker, the department utilized the development budget as shown below.

S/N	ITEM	AMOUNT	JUSTIFICATION
1.	Non-residential buildings	1,000,000	The amounts were committed for renovation of office block.
2.	Purchase of furniture and fittings	700,000	The amount was committed to procure furniture and fittings for the CEC's office, Chief Officer's office and office chairs for the payroll office.
3.	Purchase of specialized plant and equipment	3,000,000	The amount was committed to partly pay the department's pending bills arising from previous years.
4.	Overhaul of plant, Machinery and Equipment	8,000,000	The amount has been committed to partly pay the department's pending bills arising from previous years

DEPARTMENT WAGE BILL AND PENDING BILLS

Hon. Speaker, the department has a monthly wage bill of Ksh. 6,240,601.50 and a total staff of 83.

The department's pending bills are as listed below....I don't know whether it is prudent to read.

PENDING BILLS						
No	Date of commitment	Status on LPO/LSO	Contractor/supplier	Description	Recurrent	Development
1	4/5/2014	O950468	Genesis of adventure	Car hire for CO	61,220.00	
2	9/8/2014	947447	Marony Travel Agencies	Air ticket to Mombasa	64,900.00	
3	2014/2015	Contracted	First call ltd	Call center services for July 2014-jan 2015	16,183,934.55	
4	Jul-14	Contracted	Access Kenya ltd	Internet provision	5,437,962.30	
5	Jul-14		Eridosa (k) ltd	Supply of	180,000.00	

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				tyres		
6	Jul-14	Contracted	Genesis of adventure	Car hire	278,400.00	
7	Jul-15	O991774	Theora communications	Installation of extensions and materials for DG's office	39,000.00	
8	Oct-16	1184363	Cai resort	catering services	121,100.00	
9	Apr-16	Contracted	Twin eyes investment	Mlolongo control room rent	483,200.00	
10	Apr-16	Contracted	Travoter Nthuli	Wamunyu control room rent	33,000.00	
11	Apr-16	Contracted	Stephen Nzisa Mbungi	Mwala control room rent	42,000.00	
12	Apr-16	Contracted	Elijah Kyalo Mbili	Kithimani control room rent	115,500.00	
13	Oct-16	1184360	Rosma tours & travel	Air ticket	41,125.00	
14	4/5/2018	108	Rosma tours & travel	Air ticket	244,772.00	
15	4/6/2018	109	Subaru Kenya	Maintenance of KBY 422 P	694,917.13	
				TOTAL	24,021,030.98	
1	6/30/2014	O947438	Eclectics International ltd	CCTV Tala town		2,500,000.00
2	6/30/2014	O950501	Daltech Technologies	CCTV Mavoko town		1,500,000.00
3	6/30/2014	O947420	Real world	Mounting of call Centre screens		225,040.00
3	10/14/2014	2205352	Sania investment	Filling cabinet		200,000.00
4	4/22/2014	950492	Safaricom ltd	Kangundo		793,

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				telecommunication mast		597.76
5	Jul-15	2205369	Nouvelle Technology	Supply of Laptop and printer		161,900.00
5	12/19/2016	2205386	Youth initiative development	CCTV electrical materials		112,780.00
6	12/8/2016	1184356	Jeast enterprises	Re-implementation of call centers		2,267,200.00
7	12/5/2016	1184358	Wacly enterprises	Cloaking system		1,863,000.00
7	12/5/2016	2205885	Vingo technologies	CCTV materials		2,815,650.00
8	12/5/2016	2205382	Jigsys technologies	CCTV Kangundo and Matuu		833,500.00
9	May-16	991796	Inforbip Kenya Ltd	Provision of Short Message System Platform		440,800.00
				TOTAL		13,713,467.76

Hon. Speaker, as at the third quarter, the department had processed and committed Ksh. 11,000,000 to pay pending bills.

DISCUSSION WITH THE CHIEF OFFICER

. Speaker, Article 195(1) of the Constitution of Kenya, 2010 stipulates that a County Assembly or any of its committees has power to summon any person to appear before it for the purposes of giving evidence or providing information. Further, Section 39(2) of the County Governments Act, 2012 states that a committee of the County Assembly may require a member of the executive committee to:

- a) Attend or appear before the committee; and
- b) Answer any question relating to the members responsibilities.

The committee invited the Chief Officer to a committee meeting on 3rd June, 2019 to shed light on the departmental report.

The Chief Officer informed the committee that when he took up the role as the Chief Officer, Department of Quality Management, Public Service and ICT and he realized that the budget was inadequate.

He cited the Ksh. 12,700,000 that had been allocated for the development vote; the budget could not sustain payment of pending bills that had accumulated over the previous years and still facilitate improvement of ICT infrastructure within the County.

The Chief Officer requested the committee to consider his proposed budget that he would present during the interrogation of budget estimates for the financial year 2019/20. Hon. Speaker, the Chief Officer also presented a document showing all the County Government of Machakos employees classified per department. This was actualized by the several requests by the committee to get a copy of the payroll on April, 2019; the committee is currently scrutinizing the document and will table a report in due time. *(Attached please find a payroll summary for April 2019)*

The committee tasked the Chief Officer to work in collaboration with the County Public Service Board to bring sanity to the labour workforce; he was directed to report back to the committee with proposals and recommendations on how to deal with the ballooning wage bill as management of the labour workforce lay in his department.

COMMITTEE RECOMMENDATIONS

Hon. Speaker, informed by the deliberations with the Chief Officer and expenditure presented, the committee makes the following recommendations:

1. That with regard to the April 2019 payroll presented by the Chief Officer, each County Assembly Sectoral committee should get a copy of their department's payroll and conduct a verification exercise with its respective Chief Officer and ascertain that truly the employees listed are in service. This will go a long way in identifying ghost workers and also ensure employees are in line with the departmental organograms.
2. That the Chief Officer, Labour in collaboration with the County Public Service Board should scrutinize and compare their employee records and come up with one accurate document that reflects the total employees classified per department within the next sixty days. The document should then be presented to the County Assembly for consideration and discussion. This recommendation was informed by a response from the County Public Service Board that should the committee require information about the County Government employees, and then it should seek information from respective Chief Officers. *(Attached find a letter from the County Public Service Board)*
3. The County Executive should move with speed to operationalize the staff mortgage and car loan Fund; the Fund was appropriated Ksh. 60 million but as at the end of the third quarter the funds have not been utilized.
Operationalizing the Fund will increase the employees' morale to work and in turn the County Government will achieve its objectives.

CONCLUSION AND ACKNOWLEDGEMENT

Hon. Speaker, the committee appreciates the quarterly reports presented by the chief officer as required by the County Governments Act, 2012. However, the committee notes that the chief officer should manage efficiently and effectively the labour workforce by proposing policies and strategizes to the County Assembly on labour issues within the County that is staff appraisals and wage bill.

Hon. Speaker, the committee is grateful to the office of the Speaker and that of the Clerk of the County Assembly for the support accorded during the committee sittings. I wish to express my appreciation to the Hon. Members of the committee who sacrificed their time to participate in the committee activities and preparation of this report.

Hon. Speaker, it is therefore my privilege and duty on behalf of the Labour, Public Service and ICT Committee to table this report on the floor of this Hon. House for consideration and approval. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you Hon. Francis Kalumu for the report diligently read; report on numbers are normally tough.

(Question proposed)

Hon. Members, you may debate on the report. Hon. Moses.

Hon. Mitaa: Thank you Hon. Speaker for granting me the opportunity. First, I applaud the committee for the department of Labour, Public Service and ICT for the good job they have done under the chairmanship of Hon. Kalumu. Hon. Speaker, going through the report, there are some issues which needs to be looked at.

First, I have noticed that we still have pending bills since 2013. Hon. Speaker, it is a shame to find a summary whereby we can allocate some funds for loan fund which actually we do not have even an operationalized fund bill and yet Mr. Speaker, we have concerns on issues to do with pending bills. Mr. Speaker, there is the issue of a pending bill No. 15 on 6th April, 2018 LPO/LSO No. 109; item is maintenance of car KBY 422P where by the cost is Ksh. 694,917.13

Hon. Speaker, I find this amount too high just on maintenance of a vehicle. I don't know if this vehicle had been involved in an accident and if indeed it was involved in an accident, I believe that our vehicles are insured and the insurance would have taken care of that.

Hon. Speaker, again I don't know the current status of.....there is another issue to do with Collective Bargaining Agreement (CBA) arrears arising from former local authorities. Hon. Speaker, I do not know whether this issue has been taken care of because we are talking of a quarterly report, on a report for the financial year 2018/2019. Looking at it, we are talking on issues to do with before devolution. Those are almost eight years down the line.

Mr. Speaker, the issue is how authentic is such a claim yet I know we have transitioned from the local government, again we have come to devolved units, we have had different officials holding this offices. So, Hon. Speaker, I think it is the right time we update everything so that we know the current status of issues within our county government. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Moses. Hon. Kiilu.

Hon. Kiilu: Thank you, Mr. Speaker. I had seen that point which has been quoted by Hon. Mitaa that for the maintenance of this vehicle KBY 422P at Ksh. 694,917.13; that is not a normal service for a vehicle and even if as he has said it was involved in an accident, then it means that our vehicles are not fully insured.

On the other hand, I want to comment on the good work that was done by this committee and more especially on the committee recommendation No. 1 that with regard to every 2019 payroll presented by the Chief Officer, each County Assembly sectoral committee should get a copy of the department's payroll and conduct a verification exercise with its respective Chief Officers and ascertain that truly the employees listed are in service.

Actually, Mr. Speaker, in this one, you realize that sometimes last two to three months, they conducted this exercise but the way it was conducted was not to satisfaction of anyone because you do not expect a Chief Officer from the education department can verify the workers of Chief Officer in roads. Definitively they will have to collude; if there are ghost workers they will just talk between themselves and balance and the result will be that there are no ghost workers.

My take on that one is that if we are to verify the number of workers in every sector it is better that we hire external auditors. That is my take. Thank you.

Hon. Deputy Speaker: Thank you, Hon. Kiilu. In case there is nobody else responding I would request the mover of the motion to respond please.

Hon. Kalumu: Thank you, Mr. Speaker. I want to reiterate this on matters which were raised by Hon. Mitaa that we noted truly what he has said that gratuity has been a problem over the years; it has been a case whereby the employees of Machakos County have not been paid gratuity for a very long period of time. Once a budget is allocated, we do not get the list of the beneficiaries and this time round, we requested from the Chief Officer the names of the beneficiaries of gratuity from him. The names are there for the Assembly to verify.

The other thing is that I want to thank the Members for conducive climate to read the report and also for those who have also contributed. Thank you, Mr. Speaker.

(Applause)

Hon. Deputy Speaker: Thank you, Hon. Francis.

(Question put and agreed to)

(Applause)

Hon. Members, I would just like to point out just a few issues on top of what the Hon. Members have said now that you have passed the motion. One of the items I have noted in this report as we were going through it is that the report itself is on expenditure which have been done for the three quarters. It talks about department expenditure during the period under review.

If you look at the item on the loan funds which has been put there, is Ksh. 60 and talks about Ksh. 40 million was budgeted for creation of a staff mortgage fund while Ksh. 20 million was for staff car on fund. It goes ahead and says; however, as at the end of the third quarter, the loan fund had not been operationalized and this was attributed to a lack of policy on how to operationalize the funds.

If the money had been set aside Ksh. 40 million budgeted for creation of staff funds and Ksh. 20 million for car staff totaling to Ksh. 60 million and it has not yet been operationalized, why is it classified under expenditure? Why are we being given the figures as if they are under expenditure?

The main issue here, Hon. Members, is that the integrity of the explanations you have been given here, the committee needs to look at it because if you are talking about expenditure and we talk about figures which have not yet been operationalized but they are reported as having been used, then that obviously raises question.

ADJOURNMENT

Hon. Deputy Speaker: With that Hon. Members, there is no other business before the House. The House stands adjourned to Wednesday 10th July, 2019 at 10.00 a.m. Enjoy your afternoon.

The House rose at 3.42