

REPUBLIC OF KENYA
MACHAKOS COUNTY ASSEMBLY

OFFICIAL REPORT

Wednesday, 11th March, 2020

The House met at 10.05 a.m.

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

PRAYERS

Hon. Deputy Speaker: Sergeant at Arms, ring the bell please we get quorum.

(Quorum Bell rung)

Serjeant at Arms, you may stop we have quorum now. Good morning, Hon. Members; welcome to today's sitting. Mr. Clerk, proceed.

COMMUNICATION FROM THE CHAIR

ENGAGEMENT BETWEEN THE GENERAL OVERSIGHT COMMITTEE AND CECM FOR ROADS,
TRANSPORT AND PUBLIC WORKS

Hon. Deputy Speaker: I would like to inform the House that the CEC for roads Engineer Morris Aluanga is scheduled to come at 11.30 a.m. as I have been advised by the Speaker and therefore we continue with the House proceedings until he comes and if we are able to finish earlier before 11.30 a.m. the better but if he comes at that time, at about 11.30 a.m. we might adjourn the House so that we can covert to General Oversight Committee and be able to listen to the CEC whom we had summoned on roads. So that is for your information and we prepare ourselves accordingly to be able to engage the CEC transport .Thank you. Mr. Clerk, proceed.

PAPER LAID

REPORT ON POLLUTION RIVER ATHI

Hon. Deputy Speaker: Hon. Members, under this Order, we have one business to be transacted by Hon. Kisini; he is the chair for environment committee or any other person who is a committee Member for environment to stand in for Hon. Kisini.

Hon. Musau: Thank you, Hon. Speaker. I stand in for Hon. Kisini who is our Chair. Hon. Speaker, pursuant to Standing Order 190(5), I beg to lay the following Paper on the Table of the Assembly today, 11th March, 2020; the report of the Joint Committee on Environment, Lands and Natural Resources and Devolution and Intergovernmental Relations on River Athi Pollution. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Musau. Can I have that Paper, please?

Mr. Clerk, proceed.

NOTICE OF MOTION
REPORT ON POLLUTION RIVER ATHI

Hon. Deputy Speaker: Hon. Members, under this Order, we have again one business to be transacted by Hon. Joseph Musau on behalf of Hon. Kisini.

Hon. Musau: Thank you, Hon. Speaker.

Hon. Speaker, that aware that the Constitution of Kenya 2010 Article 43(1) d) stipulates that every person has the right to clean and safe water in adequate quantities;

Further aware that Section 11 of part 11 of the Fourth Schedule of the Kenyan Constitution provides that Water and Sanitation services is a function of the County Governments;

Hon. Speaker, acknowledging that Environmental and Water pollution is a major global concern and water pollution has been a perpetual problem in the world since the onset of civilization;

Further aware that Water resources in Kenya are increasingly becoming polluted from both point and non-point sources due to agriculture, urbanization, and industry which contribute to organic, inorganic and aesthetic pollution of water and as a result pollution of the River Athi is on the rise and has negatively impacted the downstream communities for whom the river is a lifeline;

Hon. Speaker, I wish to give notice of the motion that this Hon. House discusses and approves the Report of the Joint Committees on Environment, Lands, Energy and Natural Resources and Devolution and Intergovernmental Relations on River Athi pollution.

Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Musau. Mr. Clerk, proceed.

MOTION
COUNTY BUDGET REVIEW AND OUTLOOK PAPER

Hon. Deputy Speaker: Hon. Members, we have one motion to be moved by Hon. Dominic Ndambuki, Chairperson, Budget and Appropriations committee.

Hon. Ndambuki: Thank you, Hon. Speaker.

Hon. Speaker, that aware that the County Budget Review Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012 which requires the County Treasury to prepare and submit it to the County Executive Committee for approval by 30th September in each financial year;

Aware that the County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it with or without amendments, not later than fourteen days after its submission;

Further aware that not later than seven days after the CBROP has been approved by Executive Committee, the County Treasury shall submit the Paper to the Budget Appropriation Committee of the County Assembly to be laid before the House and publish and publicize the Paper not less than fifteen days after laying the paper before County Assembly;

Cognizant that the County Assembly received the County Budget Review and Outlook Paper and the paper committed to the Budget and Appropriations Committee;

Hon. Speaker, I wish to move the motion that this House discusses and approves the report of the Committee on Budget and Appropriation on the County Budget Review and Outlook Paper.

Thank you, Hon. Speaker. I request Hon. Jacqueline Nziva to second.

Hon. Deputy Speaker: Hon. Jacqueline.

Hon. (Ms.) Nziva: Thank you, Mr. Speaker. I second the motion

Hon. Deputy Speaker: Thank you, Hon. Jacqueline. Hon. Dominic, you may read the report.

Hon. Ndambuki: Thank you, Hon. Speaker.

REPORT OF THE BUDGET AND APPROPRIATION COMMITTEE ON THE COUNTY BUDGET REVIEW AND OUTLOOK PAPER-2019
OVERVIEW

Hon. Speaker, The County Budget Review and Outlook paper is a forward and backward looking document that provides a platform for sound budget planning for the county---

Hon. Deputy Speaker: Point of order Hon. Majority Leader.

Hon. Muendo: Hon. Speaker, I can see the Members are not following because they don't have the copies and they are not in possession of their iPads; so why can't we get some copies Hon. Speaker then we can follow.

Hon. Deputy Speaker: From the Table Clerks, did you make any print outs? Is it in the website? Let me see. In the meantime, maybe you could arrange for copies. Point of order from Hon. Mitaa

Hon. Mitaa: The report is there.

Hon. Deputy Speaker: Hon. Members, if the report is on the website, then you will need to remove your phones and your iPads to follow on the report because as you are all aware, we stopped printing material because we went digital. So, I would request you access and the Hon. Member will continue as the copies are being made, the rest of us you can even access with your phone, you don't have to have your iPad. So I will say we continue with the reading of the report and Members please access through your phones and iPads.

Hon. Ndambuki: Thank you, Hon. Speaker. I repeat on overview.

OVERVIEW

Hon. Speaker, the County Budget Review and Outlook paper is a forward and backward looking document that provides a platform for sound budget planning for the county. It is a mandatory and key document in linking policy, planning and budgeting. It derives its authority from Section 118 of the Public Finance Management Act, 2012. The 2019 CBROP was submitted to the Assembly on 19th October, 2019.

It aims to provide a review of the fiscal performance for the FY 2018/2019 and how the outcomes impacted the county's financial objective and fiscal responsibility principles as stipulated in the PFM act 2012.

MANDATE OF THE COMMITTEE

Hon. Speaker, the Budget and Appropriations Committee derives its mandate from Standing Order 186(3) (a) that states that; there shall be a select Committee to be known as the County Budget and Appropriations Committee which is mandated to, investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget.

The main objective of the committee is to ensure that public funds are well utilized and that the public realizes value for money in all Government expenditure. The basis of the Committee's execution of its mandate is annual and on special reports.

COMMITTEE MEMBERSHIP

Hon. Speaker, the committee as constituted by this Assembly comprises of the following members.

- | | |
|--------------------------|------------------|
| 1. Hon. Dominic Ndambuki | -Chairman |
| 2. Hon. Angela Munyasya | -V/ Chair person |
| 3. Hon. Paul Museku | -Member |
| 4. Hon. Margaret Mwikali | “ |
| 5. Hon. Thomas Mutinda | “ |
| 6. Hon. Ikusya Kaloki | “ |
| 7. Hon. Jacqueline Nziva | “ |
| 8. Hon. Moffat Maitha | “ |
| 9. Hon. Daniel Mbevi | “ |

LEGAL FRAMEWORK

Hon. Speaker, Section 118 of the Public Finance Management Act, 2012 states that:

- (1) A County Treasury shall—
 - (a) Prepare ‘a County Budget Review and Outlook Paper in respect of the county for each financial year; and
 - (b) Submit the paper to the County Executive Committee by the 30th September of that year.
- (2) In preparing its County Budget Review and Outlook Paper, the County Treasury shall specify—
 - (a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
 - (b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
 - (c) Information on—
 - (i) Any changes in the forecasts compared with the County Fiscal Strategy Paper;
 - (ii) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
 - (d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

- (3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.
- (4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—
 - (a) Arrange for the Paper to be laid before the County Assembly; and
 - (b) As soon as practicable after having done so, publish and publicize the Paper.

*ANALYSIS OF THE 2018 CBROP
BUDGET PERFORMANCE FY 2018/19*

Revenue performance, Hon. Speaker, The General Revenue Performance is indicated in the figure below: Hon. Speaker, if you allow me I will skip the table as it is appended and look at the totals. Hon. Speaker, approved budget total revenue was Ksh. 12,231,106,620.00, revised budget Ksh. 14,965,224,307, actual expenditure Ksh. 13,770,646,555. 00, performance was 92 percent. That was total revenue.

On total expenditure, in recurrent and development; recurrent: approved budget Ksh. 7,630,313,697.00, revised budget Ksh. 9,569,675,918.05, actual expenditure Ksh. 8,690,270,166.30 and performance was 91 percent.

On development, we look at the totals again: Approved budget 2018/19 Ksh. 4,600,802,922.50, revised budget Ksh. 5,395,548,389.00, actual performance Ksh. 3,097,717,111.85 translating to 57 percent.

The County Government received Ksh. 13.77 billion against the expected Ksh. 14.97 billion by the end of the FY 2018/19. This represented 92 per cent receipt of funds both from National Government and own source revenue. Equitable share accounted for a larger portion of receipts at 62 per cent with proceeds from domestic and foreign grants accounting for 15 per cent.

County Own Source Revenue per Stream

The following table represents the county's revenue per stream for the financial year 2018/29 and I look at the totals.

Printed Estimates for FY 2018/19 where Ksh. 1,720,061,674.00
Actual FY 2018/19 where Ksh. 1,557,211,640.70
Printed Estimates for FY 2019/2020 was Ksh. 2,212,664,746.00

Hon. Speaker, the total own source revenue collection amounted to Ksh. 1.56 Billion against a target of Ksh. 1.72 Billion. This shows a deficit of Ksh. 162.85 Million of the target for the year under review. Total revenue collections compared to the previous FY 2017/18 increased by Ksh. 473 Million (21.75 per cent).

On a month to month basis, local revenue performed better in FY 2018/19 between July and October compared to FY 2017/18 over the same period. However, between April and June of FY 2018/19 local revenue shot up with the best month in April, 2019 rising to Ksh. 454 Million. This is attributed to the waivers that were given in the last quarter of the financial year.

There was improvement in the fourth quarter of FY 2018/19 compared to the same period in the 2017/18 FY. Revenue collections in that period rose from Ksh. 449.9 million in FY 2017/18 to Ksh. 1 billion in the year under review.

*Expenditure Performance
Recurrent expenditure*

Hon. Speaker, the total expenditure for the FY 2018/19 amounted to Ksh. 11.79 billion against a target of Ksh. 14.97 billion indicating a performance of 78.77 per cent. The recurrent budget had the highest absorption of 73.7 per cent and development budget of 26.3 per cent. The total recurrent expenditure of Ksh. 8.55 billion comprised of Ksh. 5.86 billion (68.4 per cent) incurred on personnel emoluments and Ksh. 2.70 billion (31.6 per cent) on operations and maintenance.

Expenditure on personnel emoluments represented an increase of 21.1 per cent compared to FY 2017/18 when the County spent Ksh. 4.83 billion, and was 50.2 per cent of total expenditure in FY 2018/19.

Hon. Speaker, the table that follows looks at Expenditure Performance by Economic Classification for the Period Ending 30th June, 2019 and I would request Members to look at the table and I will go straight to the sub totals.

Revised estimates for FY 2018/19 where Ksh. 14,965,224,306.00
Actual FY 2018/19 where Ksh. 11,787,987,278.15
In terms of per cent of Total Expenditure 78.77

County Entities Expenditure Analysis

Hon. Speaker, during the period under review, five County entities recorded more than 50 per cent budget execution rate and a supplementary budget was undertaken that was meant to spur infrastructural projects.

Office of the Governor

Hon. Speaker, the revised estimates for the Office of the Governor was Ksh. 612,543,697. The actual expenditure for the period under review was Ksh. 400,509,391. This points an absorption rate of 65 per cent.

Public service, Quality Management and ICT

Hon. Speaker, the revised estimates for the Sector of Public service, Quality Management and ICT was Ksh. 599,954,052. The actual expenditure for the period under review was Ksh. 5,668,196,746. This points an absorption rate of 945 per cent.

Trade and Economic Planning

Hon. Speaker, the revised estimates for the Sector of Trade and Economic Planning was Ksh. 244,685,600. The actual expenditure for the period under review was Ksh. 118,741,791. This points an absorption rate of 49 per cent.

Finance and Revenue Management

Hon. Speaker, the revised estimates for the Sector of Finance and Revenue Management was Ksh. 454,883,882. The actual expenditure for the period under review was Ksh. 198,443,475. This points an absorption rate of 44 per cent.

County Administration and Decentralized Units

Hon. Speaker, the revised estimates for the Sector of County Administration and Decentralized Units was Ksh. 492,833,441. The actual expenditure for the period under review was Ksh. 113,563,681. This points an absorption rate of 23 per cent.

Agriculture, Water and Irrigation

Hon. Speaker, the revised estimates for the Sector of Agriculture, Water and Irrigation was Ksh. 492,833,441. The actual expenditure for the period under review was Ksh. 533,922,559. This points an absorption rate of 39 per cent.

Health and Emergency Services

Hon. Speaker, the revised estimates for Health and Emergency Services Sector was Ksh. 5,670,386,159. The actual expenditure for the period under review was Ksh. 1,278,104,195. This points an absorption rate of 23 per cent.

Roads, Transport and Public Works

Hon. Speaker, the revised estimates for the sector of Roads, Transport and Public Works was Ksh. 2,046,867.....Sorry, Hon. Speaker just a moment. I repeat---

Hon. Deputy Speaker: You cancel that and you remain with Ksh. 2,046, 867,641; I think it is a typo.

Hon. Ndambuki: Thank you, Hon. Speaker I stand guided. Hon. Speaker, the revised estimates for the sector of Roads, Transport and Public Works was Ksh. 2,046, 867,641 Ksh. The actual expenditure for the period under review was Ksh. 1,047,914,387. This points an absorption rate of 51 per cent.

Education, Youth and Social Welfare

Hon. Speaker, the revised estimates for Education, Youth and Social Welfare Sector was Ksh. 708,986,788 actual expenditures for the period under review was Ksh. 207,153,869. This points an absorption rate of 29 per cent.

Energy, Lands, and Urban Development

Hon. Speaker, the revised estimates for the Energy, Lands, and Urban Development sector was Ksh. 1,243,628,837. The actual expenditure for the period under review was Ksh. 1,174,832,202. This points an absorption rate of 94 per cent

Tourism, Sports and Co-operative Development

Hon. Speaker, the revised estimates for the Tourism, Sports and Co-operative Development Sector was Ksh. 236,811,174. The actual expenditure for the period under review was.....just a moment, Hon. Speaker.....was Ksh. 84,286,971. This points an absorption rate of 36 per cent.

Hon. Deputy Speaker: Just repeat that figure again and Hon. Members please correct that figure I think it is a typo.

Hon. Ndambuki: Allow me to repeat the entire department;

Tourism, Sports and Co-operative Development

Hon. Speaker, the revised estimates for the Tourism, Sports and Co-operative Development Sector was Ksh. 236,811,174. The actual expenditure for the period under review was Ksh. 84,286,971. This points an absorption rate of 36 per cent.

County Public Service Board

Hon. Speaker, the revised estimates for the County Public Service Board was Ksh. 68,514,909. The actual expenditure for the period under review was Ksh. 11,635,757. This points an absorption rate of 17 per cent.

County Assembly

Hon. Speaker, the revised estimates for the County Assembly was Ksh. 1,230,776,339. The actual expenditure for the period under review was Ksh. 950,682,254. This points an absorption rate of 77 per cent.

Committee Observations

Hon. Speaker, the committee analyzed the CBROP and drew the following observations:

1. Some revenue streams underperformed such as Market fees stream, water sales, tourism, house rent.
2. The revenue stream termed as ‘miscellaneous’ which had a collection of Ksh. 588,433.00 against a targeted Ksh. 9,379,851.57, did not have a breakdown of the detailed sources.
3. Some county revenue targets were unrealistic. The revenue stream on court fines had a projection of a total collection of Ksh. 222,795.82. It is observed that nothing was collected during that year. The committee observes that the criteria of setting some targets was questionable.
4. Some revenue streams recorded excellent performance of over 100 percent such as Cess, enforcement management, slaughter house, bus parks and quarries.
5. The total recurrent expenditure of Ksh. 8.55 billion comprised of Ksh. 5.86 billion (68.4 per cent) incurred on personnel emoluments and Ksh. 2.70 billion (31.6 per cent) on operations and maintenance. Expenditure on personnel emoluments represented an increase of 21.1 per cent compared to FY 2017/18 when the County spent Ksh. 4.83 billion, and was 50.2 per cent of total expenditure in FY 2018/19 contrary to the fiscal responsibility principles.
6. The County failed to absorb all the budgeted funds. Some Departments under-utilized their budgeted funds. Such Departments include Decentralized Units which had an absorption rate of 23 per cent, Agriculture with an absorption rate of 39 per cent, Health with 23 per cent, Education with 29 per cent and Tourism with an absorption rate of 36 per cent.
7. The County Treasury authorized expenditures beyond the budgetary allocations in the department of ICT and Labour.
8. The CBROP does not show departmental breakdown of recurrent and Development expenditure.
9. The Department of Public Service, Labour and ICT had the highest absorption rate of recurrent expenditure to the total budget at 945 per cent per cent. This is because all personnel emoluments are irregularly charged to the department. This is against Article 207(2)(b) of the Constitution of Kenya, 2010.
10. The total development expenditure represented 16.2 per cent of the Annual Development Budget which is contrary to section 107 of the PFM Act, 2012 which stipulates a minimum of 30 per cent of the total expenditure.

Recommendations

Hon. Speaker,

1. The county government should adhere to the fiscal responsibility principles set out in Section 107 of the PFM Act and corresponding regulations by achieving a minimum of 30 per cent development expenditure and a maximum of 35 per cent on personnel emoluments.
2. The increase by 1 billion incurred on personnel emoluments indicates lack of control of the ballooning wage bill which the committee recommends measure to be put in place to control further increment.
3. Expenditure on wages and salaries should be posted to respective departments 'vote as stated in the Budget.
4. The Departments should not budget and spent below average absorption as it implicates underperformance and budgeting of funds which are not required in that department. The Executive should put measures in place to ensure Budget allocation runs concurrently with expenditure.
5. The revenue stream termed as 'miscellaneous' should have a break down to show the details of what it entails.
6. The County treasury should develop criteria of setting realistic revenue targets to avoid the witnessed scenario in FY 2018/19.

CONCLUSION

Hon. Speaker, in comparing the 2018/2019 budget with the previous period 2017/18, it is notable that absorption rates in the development vote declined. The County own source revenue increased by 21.75 per cent. It is expected that the county will achieve its revenue targets for the FY 2018/2019. Finally, there is need for the county to undertake impact evaluation in order to assess if higher rate of project implementation translates to realization of county goals and objectives.

ACKNOWLEDGEMENT

Hon. Speaker, the Budget and Appropriations Committee is grateful to the Office of the Speaker and that of the Clerk to the County Assembly for facilitating the committee to undertake its mandate. I wish to express my appreciation to the Hon. Members of the Committee who sacrificed their time to participate in the meetings and in preparation of this report.

Madam Speaker, it is therefore my privilege, on behalf of the Budget and Appropriations Committee to table the report on County Budget Review and Outlook Paper, in this Hon. House for consideration and adoption. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you very much, Hon. Dominic Ndambuki, Chair budget and appropriations committee.

(Question proposed)

Hon. Members, you may debate on this motion. Hon. Majority Leader.

Hon. Muendo: Thank you, Hon. Speaker. Let me start by congratulating the committee of budget and the chairmanship of Hon. Dominic Ndambuki for the work they have done well on showing this House how the money has been spent and how they have been allocated. Hon. Speaker, my concern will be on this department of public service, labor and ICT. Hon. Speaker, when you go to page nine you find this department has a absorption rate of of 945---

Hon. Deputy Speaker: Point of order Hon. Moffat Maitha.

Hon. Maitha: Mr. Speaker, when one Hon. Member continues to cough loudly in this chamber when we know there is that coronavirus; Mr. Speaker, can you give her time to go out and cough and when she is settled she comes back, Mr. Speaker.

Hon. Deputy Speaker Hon. Moffat Maitha, I hear your sentiments but it is important to note that as far as we know coronavirus is not yet in our country and if a Hon. Member has a cold, a cold you cannot hide; you have to keep coughing you even hear me coughing from up here. So we will excuse the Member because I think it is just a cold but I like that you have broken the ice. Thank you. You may proceed, Hon. Majority Leader.

Hon. Muendo: Thank you, Hon. Speaker. Our senior Hon. Maitha; do not fear because it is said do not fear death because you will die and those who are dead do not fear death. Hon. Speaker, I was drawing attention to this House on page nine. This is the department of public service, labor and ICT. When you look at that Hon. Speaker and the House you can see the total budget absorption of 945 percent.

Hon. Speaker, my concern on this area is, I know this is the area where they pay salary, this is the area where they pay monies for retirement but Mr. Speaker, my concern is in our budget we have workers in different departments, Hon. Speaker. We have departments which have.....actually we have workers working in the departments. My concern is when we allocate such kind of money such a percentage in one department and this is against the budget.

Hon. Speaker, this House should consider that the departments get their salaries and also post their salaries independently and not one department to be given all this money to spend. Hon. Speaker, when you look at the general absorption of the budget, you can find out the committee has indicated that some of the departments and some of the monies we have allocated in the departments has not been fully utilized.

You find the performance for example total development expenditure represented on No. 10, 68.2 percent of the annual development budget which is contrary to section 107 of the PFM Act 2012 which stipulates a minimum of 30 percent of the total expenditure. Hon. Speaker, this means that we have allocated some money in departments which could be maybe it is a lot or the departments are not utilizing the budget very well.

So it is for this House Hon. Speaker, to make sure that if we allocate money to any department, they should use the money fully to achieve what this House has put in place.

Hon. Speaker, the other issue is on page 10 on No. 2 on the ballooning wage bill which the committee recommends measures to be put in place to control further increment. Hon. Speaker, very year we pass a budget in this House, we complain about the ballooning wage bill which up to today Hon. Speaker, you can see there was an increment of Ksh. 1 billion.

Hon. Speaker, if this House is not going to put measures and then be strong, this money which we normally receive from central government could be utilized in paying salaries only because we are talking about Ksh. 1 billion increment so when you talk about Ksh. 1 billion increment that means also the money for development will be affected. Therefore, Hon. Speaker, it is for this House and everybody to understand that we have a wage bill which is actually consuming our development money. It is okay Hon. Speaker, we have put the County Public Service Board in place who I think they are going to deal with the ghost workers and also to deal and advise the government very well that the department should be posting their salaries in their departments.

The monies should not to be put in central department like ICT and Labor; that is where we lose money Hon. Speaker. Therefore with those few remarks, I recommend that this House should be vigilant on the coming budget cycle. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Majority Leader. Hon. Thomas Mutinda.

Hon. Mutinda: Thank you, Mr. Speaker. I would like to start by thanking the chair budget and appropriations committee for this report. Chair, I am a member of this committee and let me say that is important that as a House we see that we improve the situation of this county and leave them better than we found it because, Mr. Speaker, when you see this report, it shows that we are paying 70 per cent or spending 70 per cent to implement 16 per cent while initially and ordinarily, it should be we use 70 per cent to implement 30 per cent on development at minimum.

Now we are going below the required standard. Now the worrying thing Mr. Speaker, is this, even when it is 16 per cent for a certain financial year, you don't see an improvement in the following year. For example, this year now, we have not started doing any development; we are only three to four months down the line and we have not started doing anything so we expect to perform even below the 16 per cent, continuing to pay 70 per cent to get 10 per cent.

Now the question is; where are we? Are we leaving this place better than we found it or we are leaving it worse than we found it, Mr. Speaker?

(Applause)

So, I think we have to start doing things differently and this Hon. House should start working as if it is under performance contract with its relevant departments, Mr. Speaker. If it is our committee or roads committee or whichever sectoral committee, it should hold its accounting officer to account. They should implement their budgets fully so that we do not have a situation where we are paying ourselves, we are paying our staff and nothing good is coming up.

So, Mr. Speaker, I think something should be done and when you check on this report and you see the observations which we saw like the areas of miscellaneous income on the revenue streams, Mr. Speaker, miscellaneous incomes of Ksh. 9 million if we have such a revenue expected that then should have a revenue stream which should be clear if that is the target. So some of these things should be coming clear so that we can see how we are going on this thing.

The other thing Mr. Speaker is on the issue of the salaries be channeled through the ICT and labor department. Mr. Speaker, when we are doing budget in this House the approvals we make is not just something to be taken for granted; if anything has been passed in a certain department, let it be spend there and if the Controller of Budget is doing to the contrary then this is a House of authority.

Hon. Speaker, I think it is the high time that the Controller of Budget is called here and explains why these things are happening this way and if need be then other government agencies be involved so that we may see how we can go about these process.

Mr. Speaker, a lot is here in the report and also there is the issue of 16 per cent; that 16 per cent if is going below the mandated 30 per cent, then we have to study what should be done, what next step should be taken because we cannot be here, be paid salaries from public coffers and performing this poorly. So with those few remarks, I stop there and hope that very soon we will see this Hon. House taking stern measures against officers who are not ready to assist our people. Thank you, Hon. Speaker.

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

Hon. Mitaa: Thank you, Hon. Speaker, for granting me this opportunity. Hon. Speaker, I thank the budget committee under the stewardship of Hon. Ndambuki for the great job they have done. Hon. Speaker, I think our main objective is to have this county government of Machakos run efficiently and the impact should be felt on the ground, Hon. Speaker. It is on this note although I think the communication is yet to reach that I must thank His Excellency the Governor for the

reshuffle that he has done because Hon. Speaker time and time again we have been saying we need those people who have been put in charge to serve the residents of Machakos to serve efficiently.

(Applause)

We have been complaining that some are very much inefficient and I thank him for taking concern and acting and this should also act as a warning to others who are still in office and they are not performing that we have so many people outside there who are willing to serve our people and the opportunities are there, Hon. Speaker.

On the issue of the report which has been tabled, Hon. Speaker, I want to state that we should not have something which is called miscellaneous. If an allocation can be done on an item, let us have a name of that item because miscellaneous is broad and we can't state a department called a miscellaneous. So whoever is in charge of this thing even if it is one shilling, let it have a portfolio, Hon. Speaker.

(Applause)

Again, it is very unfortunate, Hon. Speaker, to see salaries going through a certain department. There is no need; let salaries go through the departments in which the employees are working. This issue of the huge wage bill, ghost workers, I believe if we would streamline salaries to go through departments, if it is an accounting officer, he or she will tell the number of employees versus the number of money he/she is paying. So when it goes through one department, even if it is ICT and I am in charge of agriculture, I might not know who is being paid, so since I am the one who is in charge of agriculture, let members also in charge of my employees through salaries.

So, Hon. Speaker, let us keep on checking the shortcomings which we have and I believe we are heading somewhere. I was not also happy with the absorption rate Hon. speaker. Surely, if the money is there, why should the absorption rate be 20 per cent, 30 per cent? It should be 100 per cent, Hon. Speaker, because for us to have that budget, definitely there was a need for it and if the amount of money has been allocated to these departments, let the utilize them because Hon. Speaker, the ground is hostile.

People might not understand why we are not performing and they are there blaming the Hon. Members and yet we do not implement; us is to allocate funds and ensure the budgets are there on time so when they reach the departments, let them work because we need to feel services on the ground. Thank you, Hon. Speaker.

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

Hon. Katumo: Thank you, Hon. Speaker, Sir, for this opportunity. Hon. Speaker, I have gone through the report, much has been said and I want to join my colleagues in thanking His Excellency the Governor for making a very bold move. Actually, I think the County Assembly is doing a lot, we have done excellently but I think the other arm is continually failing us so much.

Now when you look especially you look at the money that we give to the departments and how they use the money, it leaves a lot to be desired. Actually, I was looking at page 8 and where you find at the department of emergency and health services, the absorption rate is 23 per cent then you go to roads, 51 per cent you go to education 29 per cent, then, of course, you go even to 17, County Public Service Board and of course we know the mandate of this departments and I have noted, with a lot of concern, especially when we try to interact with the COs and the CECs. Most of them don't even know whether they have an allocation and how much.

Others, of course; I am really surprised because others even don't know the Acts on which they should use to implement and do the projects and they are the executive members that we

anticipate they are going to bring development projects and therefore I think having said much, something has to be done on the other side. We need people who are competent, people who know their work, and people who can implement.

Actually, we are in March, we have started the budget cycle but we are not told how much has been spent, we are not seeing anything and sometimes we want to blame the Governor and others but I think the report is very clear. The various departments are not working. I think the message that I got that the Governor has done some reshuffle, he has suspended, and he has also sacked others and that is good news telling us that there is a lot of incompetence in the other side.

Last week, we interrogated a CO who did not know how much we gave them; you see they did not know which project they are supposed to undertake and it is very surprising we continue to allocate money, we continue to interrogate them, we continue to make budgets and then we expect results, they will not come.

Therefore, I think going forward, we should on a very serious note engage the executive and especially our Governor to make sure we have the right people in the office so that we don't lose money. Actually, as Hon. Mitaa has said, the ground is becoming very hostile. There are so many questions that are being put across we cannot answer.

My constituency, we have not received a single shilling since we began this Assembly and we have been allocating money and therefore that falls under the department of education, youth and social welfare, and when you see the absorption rate 29 per cent means my people with disabilities did not get anything and therefore I don't feel comfortable to continue to serve then people are not working on the other side.

Continue to lobby the Assembly to allocate money and to allocate money for our people and they are not benefiting and I think going forward we need to have a serious talk, we need to have a serious chat because I think somebody somewhere is failing us, somebody somewhere is incompetent, someone somewhere should not be in office.

I think Machakos County is one of the counties we have gone to school, we understand things and therefore I think I support this report going forward that. Of course, changes have to be made for us to see the benefits of what we plan for. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Katumo. Hon. Mueni.

Hon. (Ms.) Mueni: Thank you, Mr. Speaker. I support the report of the budget committee but Mr. Speaker we had some young men who were sacked by the executive, they were working in where they have the music in the executive and the music was paid and they were sacked unawares. They have almost six months, their wives have gone. *Mheshimiwa* Nziva, I am sending you to the people of executive even if you inform me *Mheshimiwa* Nziva I think you will have heard my message, you go and mention those people to be employed---

Hon. Deputy Speaker: Hon. Mueni, kindly when you are debating, address the Chair; don't address a Hon. Member. Go ahead.

Hon. (Ms.) Mueni: Yes, Mr. Speaker. There are some young men who came to our committee and they were sacked; I wish the Chair was here because they were not paid. So, I want the people of the executive, because they have been sacked today and the Governor is doing good work because the people who are not working are being sent home to be shown their people outside there who can do better than them.

So, Mr. Speaker, I wish those young men can be paid that is what I am asking their salary to be paid by culture people because tourism we have given them the money. They can pay those people because they are suffering, they are crying there outside the gate coming for us to help them and we don't get the money to pay them; the money is with the executive.

So, I beg the *Mheshimiwa* for the budget committee to go and see where this money is for those young men. He is also a culture committee member so I wish we can see the people who are suffering and the Governor is doing his work we help him. Thank you.

Hon. Deputy Speaker: Hon. Kisini.

Hon. Kisini: Thank you, Mr. Speaker. I want first to comment and congratulate the committee on budget for such a noble report. Mr. Speaker, my concern is on observation No. 3 whereby there was a total omission of Ksh. 222 million, which was budgeted as court fines. Where is this money? We see the enforcement has been taking people to court, all over the county enforcement officers take people to court who are lawbreakers and those people are taken to court. When they are taken to court I think those are the court fines which should be charged. So to say that there was nothing which was achieved on that income is a wonder so that is one of the concerns, Mr. Speaker.

Again I revisit No. 9, whereby we have the ICT and labor; it is a concern Mr. Speaker, whereby all the salaries of all the departments are paid from one department. There is a vote for every department, so we wonder why is this money channeled to one department whereby there are various votes and that is answered by the observation that and I thank the committee for that observation, that expenditure on wages and salaries should be posted to respective departments.

I wonder, Mr. Speaker, how does this budget pass before the salaries are paid in one department and there are various votes? When we are presenting our budget, how does it pass to the various approvals hence the loss of Ksh. 1 billion incurred in person emoluments because there are no controls?

Mr. Speaker, in the conclusion, we also talk of the last but one financial year that is 2017/2018 whereby it was notable that observation rates in development votes declined than the 2018/2019 budget compared to 2017/2018, on development. That means that is why we can see we had no development in that year. If it declined, where is that money? That money is going to salaries and that is why we are told the vote on the vote on development was not used well as compared to 2017/2018 whereby we could see some development for that year; the development declined and I think that money was used to pay salaries.

Mr. Speaker, that is a concern and that answers our question as to why we are not seeing development because I think it is going to salaries. Mr. Speaker, when you compare to most of the departments, you see they have not utilized their votes; they had budgeted for this, they have spent for this. Where is that difference? If we budgeted to use Ksh. 1 million and we used Ksh. 700,000, where is the difference? Thank you, Mr. Speaker.

Hon. Deputy Speaker: Hon. Kiilu.

Hon. Kiilu: Thank you, Hon. Speaker. I want to be very brief. Number one, allow me to be more sincerely thank the budget committee for the comprehensive report and number two, I want also to join the Hon. Members in congratulating His. Excellency the Governor for cracking the whip on the non-performing members of the Executive. Allow me to more sincerely support the report and actually comment on the following as the Members have said.

Number one, one may fail to understand why the absorption rates are too low and yet we have given these people or this executive money. Number three, I want to concur with the Hon. Members on the issue of the payment of wages; let them be as per department so that we are able to follow. You know some of the departments have inflated the wages they have recruited more personnel than they can support so let it be as per department.

Then again I want to plead with the Chairpersons of the various committees; let us also try to engage the executive so that we may question them on some issues. Like in education, you can

see the absorption rate is just 29 percent yet we gave them finances for feeding programme and it has never started and actually it was just yesterday when I was questioning the Chief Officer. We are yet to get the same because we wrote a letter to him to give us an explanation. Otherwise, thank you, very much and I support the report.

Hon. Deputy Speaker: Hon. Ndalana.

Hon. (Ms.) Ndalana: Thank you, Mr. Speaker. I am supporting this Motion and I want to put input in what Hon. Mueni has said. She has just sent Hon. Jacqueline to the Governor and I thank God this morning because the Governor has opened his eyes, he has sacked his COs, some of the Ministers and others have been given notice that if they do not work well they will go home.

(Applause)

So, I thank God because these people are messing our County but our Governor is faithful. Let all the Members of this Assembly support our Governor and when we see someone who is doing the wrong with our resources, we give him information so that they can go home. We have many people who can support our County. Thank you, Mr. Speaker.

(Applause)

Hon. Deputy Speaker: Thank you, Hon. Ndalana. Hon. Alice.

Hon. (Ms.) A. Nzioka: Kongole Kamati ya bajeti na mipango. Kulingana na ripoti ambayo tumesomewa leo, tumeona kukosa kuwajibika kwa maafisa ya Kaunti ya Machakos. Bw. Spika, ukizunguka katika Kaunti yetu, kila Mheshimiwa hapa ambaye amechaguliwa na wale tulioteuliwa utatembea ukute kuna shida ya barabara, kuna shida ya soko kujengwa na unashindwa ukiangalia na ukichunguza hiyo ripoti ambayo tumesomewa leo. Sisi tunatumia pesa kiwango kichache sana. Ni kwa nini? Ni kukosa kuwajibika.

Sisi kama bunge kama bajeti italetwe hapa tutapitisha chini ya kamati tekelezi ni lazima wahajibike waone kwamba kama ni miradi pesa tumepatiana, hizo pesa zimetumiwa. Bw. Spika, wakati wote nyumba huwa imeshikwa na nguzo; nguzo Kaunti ya Machakos ni Gavana Alfred Mutua na hivi majuzi ameona kwamba yeye ni mtu ambaye anapenda maendeleo ifanywe haraka lakini wale ambao ameahajiri kufanya hiyo kazi hawaajibiki.

Kama ni bajeti, sasa tumeanza mpango na ni wakati wa majira ya kutengeza bajeti yetu na ni lazima kila Afisa ambaye atakuja katika Bunge letu tujue kuwajibika kwake kwanza anataka pesa, anaelewa pesa tunampa za kifanya nini? Unapatia mtu pesa, akija haelewi hata ukimuuliza bajeti yako ni pesa ngapi hajui kwamba umepatiwa kwa miradi gani hiyo bajeti, mwenyewe hajui.

Bw. Spika, tangu bunge la mwaka 2013, kumekua na shida ya gharama kubwa ya mishahara. Sisi kama bunge lililopita, tulikuwa na shida hii ya kutafuta kujua viongozi, kujua wafanyikazi ambao tunao. Hesabu imefanyika mara mwaka nenda, mwaka rudi na hatujapata hiyo hesabu. Mimi ningeimiza katika kila kiwango, katika kila idara kama ni idara ya afya wafanyikazi walipwe katika idara ya afya.

(Applause)

Popote pale hata kama ni idara ya masomo, wafanyiokazi ambao wanaojibika katika masomo walipo katika hiyo idara maana Afisa tutakaye muita hapa atatupa hesabu kamili ya wale wafanyikazi amabo analipa lakini wakilipa katika kitengo kimoja ama katika nidara moja hatutajua hesabu ya wafanyikazi ambao tunao.

Naunga hiyo ripoti mkono na sisi kama wabunge tuwajibike na kama bajeti itakuja na hao maofisa wanataka pesa, lazima waseme kinaga ubaga wanataka pesa za kufanya nini na kama watawajibika kufanya kazi na zile pesa ambazo tutawapatia. Asante.

Hon. Deputy Speaker: Finally, let me have Hon. Moffat because of time.

Hon. Maitha: Thank you, Mr. Speaker. I want to congratulate the Chairman, the Members of the budget committee of which I am a Member for this elaborate report. Mr. Speaker, I want also to thank His Excellency the Governor for sacking some of the officers, transferring some of them and also giving others some other duties because by doing so this County will get the development that we want.

Mr. Speaker, when you look at the Public Service, Quality Management and ICT, this Assembly gave that department Ksh. 599 million and some hundred thousand of shillings. Where it got Ksh. 5 billion to pay workers, remains something of a mystery. Why did they get money from other departments where we did not vote from to pay the Ksh. 5 billion from? It is time this House starts making some impeachment for these Chief Officers who are misusing County money.

Mr. Speaker, this is another way of stealing public funds because when they say they are paying salaries, do we know whether they are paying genuine officers or ghost workers? That is something that must be looked into. I also want to thank the departments which had high absorption rates like the energy used 94 percent and that is where we have the *Mulika mwizi* and I know almost in every ward we have *mulika mwizi* in every market and I wish to congratulate the officers and the Minister in that department.

Mr. Speaker, if you are given money and you are not utilizing that money like what is normally done in the National Assembly, if a department is not utilizing the funds given it is deducted funds in the next year, it is now time the budget committee deducts the money in the coming budget for the departments which have not utilized their funds, Mr. Speaker.

To finish up, look at for example, the department for health where we have given Ksh. 5 billion and how much money have they utilized? Ksh. 1 billion and when I say there is a dispensary I want them to build a toilet block, they say there is no money. Where is this Ksh. 5 billion going to? It is time the Chairman of the health committee puts pressure on the Minister and his people to do work and utilize these funds.

Mr. Speaker, I want lastly, to thank the whole House for supporting this report. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Hon. Members, as you heard we are expecting Engineer Alwanga to be here at 11.30 a.m. so I would like the mover of the Motion to respond please.

Hon. Ndambuki: Thank you, Hon. Speaker. Allow me to thank the Members of this House for the passionate contribution to this report. Again, Hon. Speaker, allow me to make some corrections onto the report that I read on the expenditure performance for the Department of Agriculture and I am sorry we had typo errors. Printed estimates for Fiscal Year 2018/2019 under Agriculture, Water, and Irrigation was Ksh. 1,168,244,115 that is page 11 of the report. Revised estimates for Fiscal year 2018/2019 were Ksh. 1,354,351,787, actual expenditure was Ksh. 533,922,559. Those were the corrections that I wanted to make and that expenditure translated to a 39 percent absorption rate.

Hon. Speaker, looking at what Hon. Members have said about the report and what is evident, Hon. Speaker, it is clear that as a County, we seem to be having inverted physical responsibilities especially on how we budget for our money. Hon. Speaker, we are budgeting more on recurrent and less on development.

Take for example, on personnel emoluments; the actual expenditure was 50.2 percent which surpassed the maximum ceiling of 35 percent, that is against the PFM Act. I request the Hon. House to be keen on their respective committees that they form membership so that they can put the COs to the task and play the oversight role well to ensure that the wage bill does not exceed the limits that have been given by law.

Hon. Speaker, much has been said in the report about own source revenue and it is my plea that as House we play a role in ensuring that, we put the executive to the task to strengthen revenue streams in order to avoid any loopholes that might see us losing revenue that is meant to benefit our County.

Hon. Speaker, I wish to thank Members and request them to support the report that has been submitted to this House by the committee. Thank you.

Hon. Deputy Speaker: Thank you, Hon. Dominic Ndambuki, Chairperson, budget Committee.

(Question put and agreed to)

(Applause)

Hon. Members, just before I conclude as I announced earlier we are expecting to be meeting with the CEC for roads and transport, Engineer Alwanga so as soon as I finish this sitting, I will get in touch and find out whether he has arrived and if he has arrived then we will convert ourselves to General Oversight Committee and we go ahead and question the CEC on issues pertaining to roads and development in his department.

Some of the issues which have been raised I think which I just want to highlight on one or two of them is the issue of ICT and the money being allocated in ICT. As the budget committee, I think maybe the Chair failed to mention that we did meet with the CoB of Machakos here and we did ask her, why is it that we are having all salaries going through a specific department whereas the requisitions which are going to them are going per department?

If you look at the report which comes from the Controller of Budget, you will realize that the requisitions for salaries and wages when they requisition, they send their requisitions per department but when they come to do the actual expenditure, they account for it in one department. So, we requested the Controller of Budget to be more vigilant and instead of always commending there, there is need for her to take action and ensure that those things are being done under the respective departments.

One of the things which I would like Hon. Members to note here is the figure called unspent balances. In that worksheet, you will see a figure called unspent balances Ksh. 1.8 billion; these are balances that are carried forward from one accounting year to the next accounting year. Now, if you do not commit your development funds by tendering and issuance of LPOs, then that money which was meant to come and do projects and development, at the end of the year it is reflected as unspent money and it is requisitioned for and put in the CRF but when the next year comes, that money is absorbed in the expenditure and that is why the Hon. Majority Leader was highlighting that we seem to have overspent money on by recurring Ksh. 1 billion.

You ask yourself, where did the Ksh. 1 billion come from? When you look at the unspent balances, you find the Ksh. 1.8 billion there. So, it is up to us to ensure that for this year, for example, our funds are committed to the Ksh. 10 million, 15 million let us ensure they get committed before the end of the year so that whatever balances are carried forward to the next year those balances are already committed for payment to your projects and there is no chance for them being moved to recurrent expenditure.

Look at revenue streams; they are 31, so yesterday the Chairman, Finance presented here a report on paybills. So, if you have got 31 revenue streams then you are supposed to be having 31 paybill numbers and then anything else becomes a sub-code of that paybill number. So, one paybill number per source of revenue is right there. You have the sources they are tabulated inside here. One paybill number per source, you will get a total of 31 paybill numbers anything else becomes a sub-code to that thing.

They are under absorption by the County Assembly I have noted of almost 23 percent and that is entirely on development; that is something which you need to ensure when we meet with the County Assembly Service Board we will engage them and find out where are we under-absorbing in our development expenditure. Why are we under absorbing in our development expenditure? Are we putting monies in development that we do not intend to use?

Remember whatever funds you allocate in development in the Assembly is actually provided for by the Executive; it is negotiated between us and the executive what we are going to be given for development and if you put it there and you do not utilize it, then you deny the other side funds for doing it and you are also denying yourself. So, there is a need for that to be looked at.

Again, a good question which was put across as a budget committee because I am a Member and I request the Chairman, the budget for this year, let us try and focus on giving funds especially for recurrent expenditure based on actual absorption. If a department had budgeted for Ksh. 5 billion and only absorbed Ksh. 2 billion then there will be no reason whatsoever why we should give it Ksh. 5 billion again this year because the actual which needed to be absorbed was only Ksh. 2 billion.

So, maybe the budget committee will need to utilize the actual absorption as a basis for allocating expenditure this year.

ADJOURNMENT

Hon. Deputy Speaker: With those few comments Hon. Members, the House is adjourned to Wednesday the 11th day of March, 2020 at 2:30 p.m but remember we are meeting with the CEC Roads shortly. Thank you, Hon. Members; enjoy the rest of your morning.

House rose at 11.35 a.m.