

**REPUBLIC OF KENYA**  
**MACHAKOS COUNTY ASSEMBLY**  
**OFFICIAL REPORT**

**Wednesday, 13<sup>th</sup> November, 2019**

The House met at 10.32 a.m.

*[The Speaker (Hon. (Mrs.) Mwangangi) in the Chair]*

**PRAYERS**

**Hon. Speaker:** Good Morning, Hon. Members. We start again our sitting today; I can see we have rains and it is like a number of us have been rained on. We have quorum so we can just proceed. It is a blessing, Mr. Clerk.

**COMMUNICATION FROM THE CHAIR**

**MEETING ON UNIFORM LEGISLATION FOR THE SOUTH EASTERN KENYA ECONOMIC BLOC (SEKEB)**

**Hon. Speaker:** Hon. Members, under this Order, I have one short communication to make. It is about the SEKEB, the South Eastern Kenya Economic bloc that is proposed to be formed by Machakos County, Kitui and Makueni Counties because that is the way every bloc in Kenya is going. We have been having several meetings about that proposal and you are here when I committed a constitutive agreement that was signed by the three Governors as the first step towards setting up that block.

That constitutive agreement is just a basic guideline because the operations of that bloc must be by law which is passed by you and the other two Assemblies. So the three Speakers, have been meeting that is the Speakers for Machakos, Kitui and Makueni so that we can pave way for a legislation by the three Assemblies which is uniform because you know it is going to be a bloc for the three counties.

So we have a meeting on Friday, the day after tomorrow, of the members of all the three County Assemblies and it is going to be in Nairobi and the idea is that we have some expert who is coming to tell you what the thinking is, what is SEKEB all about is. So that even as you come to interact with now the process of legislating for that bloc you already know because you are supposed also to be able to answer to any question from the people you represent what SEKEB is about. Even as we are going to do public participation and it will be very intensive because this is a very serious matter for the region that is Ukambani.

So, on Friday and the communication is going to be if it is not yet, on Friday at 9.30 a.m. you will be congregating in a place called Pride Inn that is Westlands not in Mombasa but Pride

Inn of Nairobi and you will be with your colleagues from Makueni and Kitui. So let us first meet there we discuss, we ask every question we want to know but remember that is just the beginning of the process of you legislating for that block.

I know a committee chaired by Hon. Maitha and Hon. Jeremiah, he is not here that is why I am not remembering, there has been a joint committee of our Assembly which has already been looking into the matter and actually we are ahead of the two other counties because their joint committee is whichever committees are being formed this week.

So at least we have already had a taste of that bloc and the intention is to have the law already operational by the second week when we resume from the long recess. So by first or second week of February, we should already have a law to establish SEKEB. There are international partners who really want to see that bloc operating like you said and they are ready to enable the three counties start business with investors even from out of this nation so that we can have a way of bringing development to the region that is Ukambani.

So please give it the seriousness that it deserves and your commitment and be available on Friday so that you can hear what it is about as now we start the journey of SEKEB. Thank you. Mr. Clerk, proceed.

## PETITIONS

### PETITION BY FLOWER CITY WORKERS KENYA WORKERS

**Hon. Speaker:** Hon. Members, under this Order, we have two businesses. Remember petitions are one way of the public moving the Assembly on matters that affect them and so pursuant to the provisions of Standing Orders and also the constitution of Kenya we have received two petitions. The first one Hon. Members is by the Flower City Kenya Limited workers.

Hon. Members, the Assembly on the 5th of November, 2019, received a petition through the Office of the Clerk pursuant to Standing Order 194 and I know there is also a constitutional provision that provides for the public to petition parliament. Mr. Clerk, next time you need to cite the constitution as the first citation to come before the Standing Orders.

Hon. Members, that petition is from the Flower City Kenya Limited workers and it raises concerns on human rights violations by one firm called Flower City Kenya Limited against its workers and the workers have raised the following grievances:

- i. Unfair remuneration in form of delayed salaries, unfair termination of employment, non-remittance of statutory deductions and low wages.
- ii. Unjustifiable limitation of the right to organize and the freedom of association by denying workers the right to join trade unions, victimization of workers committee members and union leaders and deployment of state machinery to thwart trade union activities.
- iii. Violation of socio-economic rights on housing, health, food, children and protection rights.

Hon. Members, the workers or the petitioners are humbly praying the Assembly to do the following;

1. To consider the petition as soon as possible with all due urgency and because it involves grave matters as indicated in the petition.

2. To investigate the matters that they have raised and make the appropriate recommendations.

Hon. Member, Standing Order 200 provides that the Speaker, may allow comments, observations or clarification in relation to a petition presented or reported and such total time shall not exceed 30 minutes. Hon. Members, Standing Order 201(1) also provides that every petition presented or reported pursuant to that part shall stand committed to the relevant sectoral committee.

So, Hon. Members, in view of the Chair because the petition has just been presented to you and perhaps you do not have the details other than what the Chair has read out to you, there will be no need to make comments at this moment but the petition is committed to the committee on labor, public service and ICT and the plea of the petitioners is that it be worked on or considered urgently. So, the Chair is directing that the committee considers the petition and makes a report to this House not later than 30 days from today.

If you find that you have challenges on meeting the deadline then come back to the House and it will see what it can do. That is so, Hon. Members.

#### PETITION BY DONKEY OWNERS AND BENEFICIARIES OF MACHAKOS COUNTY

The second petition, Hon. Members is by donkey owners and beneficiaries in Machakos County, Hon. Members, the Assembly has received a petition through the Office of the Clerk pursuant to Standing Order 194 and again the constitutional provisions from donkey owners and Beneficiaries of donkey services in Machakos County. Yes they are very many those who benefit from donkey services in the County.

Hon. Members, the petition was received in the Assembly on 6<sup>th</sup> November, 2019. Hon. Members, the petitioners raised concerns on slaughtering of donkeys by Fuhai Machakos Trading Co. Ltd abattoir and raised the following grievances:

- i. That Article 40 of the Constitution provides that the state or any person shall not arbitrarily deprive a person of property of any description or of any interest in or right over any property of any description;
- ii. That the National Government gazetted donkey as food animal in Legal Notice 146/1999 'Declaration of Slaughterhouses' in order to curb backyard or bush slaughter of donkeys and improve food safety thus hygiene and this lead to establishment of a donkey slaughterhouse in Machakos County by one Fuhai Machakos Trading Co. Ltd Abattoir; I have information that that slaughterhouse is in Kivaa ward in Kithyoko Market.
- iii. That, Fuhai Machakos Trading Co. Ltd Abattoir was issued with a license to slaughter donkeys on condition that they slaughter donkeys in humane way, established donkey breeding farms to sustain their stock and supply, observed high sanitation standards in their facilities.
- iv. That Fuhai Machakos Trading Co. Ltd Abattoir has disregarded all legal conditions set out in the trading license which is mainly not to slaughter pregnant donkeys and to establish own breeding farms for purposes of sustainability of the animal numbers in Machakos County and in the country as a whole.

- v. That the number of donkeys slaughtered in the last three years in Machakos County has increased drastically leading to theft and illegal slaughtering of donkeys in the bush thus depriving Machakos families of their main source of income.
- vi. That if no action is taken to stop the wanton slaughter of donkeys in the County, it will lead to extreme poverty and donkey population will fall below effective productive numbers since the mean rate of donkey slaughtered per year was 5.1 percent between 2016 to 2018 against a reproductive rate of 1.04 percent recorded between 2009 to 2016.

Hon. Members, the petitioners are humbly praying that this House considers having;

- a. The Machakos County Executive revokes the operating license of Fuhai Machakos Trading Co. Ltd Abattoir and permanently stop the slaughter of donkeys in Machakos County;
- b. The Machakos County Executive issues orders and communication to the public to caution against butchering donkeys in the bush and unlawful sale of stolen donkeys; and
- c. County laws and regulations are increased to improve county Government's supervision, inspection and monitoring of all abattoirs to ensure that no donkeys are slaughtered in the County.

Hon. Members, Standing Order 200 provides that the Speaker may allow comments, observations or clarifications in relation to a petition presented or reported and such total time shall not exceed thirty minutes.

Further, Standing Order 201(1) provides that every petition presented or reported pursuant to this part, shall stand committed to the relevant sectoral Committee. Hon. Members, the Chair was within the Assembly precincts when this petition was presented and I remember the petitioners came in huge numbers and also with press that aired their concerns in the petition and the fact that they brought the petition to this House.

Consequently, Hon. Members, I will allow just fifteen minutes if there is any member or members who wishes to make a comment in this petition before I commit it to the relevant committee. That is in recognition of the interest exhibited that the petitioners when they presented the petition. Thank you, Hon. Members. Any member who may want to comment? Hon. Museku.

**Hon. Museku:** Yes, Madam Speaker. Thank you for giving me this chance to speak. I think Madam Speaker, first and foremost, I must say this House deserves applause because now it is receiving petitions constantly from the public and petitions being brought by the public to this Hon. House mean that in one way or the other the public has confidence in the Hon. Members and in this House and the decisions we are making here and therefore find it as a way of being able to air their views and grievances on various issues touching on them.

The issue at hand Hon. Speaker, on the issue of donkey slaughtering in the affected area I would urge the House to look at the issues raised by the petitioners. I have looked at them and the things, if the company does meet the requirements as stipulated by the law obviously as you have read in the petition donkey meat was legalized as meat and can be actually slaughtered and eaten but there are conditions which have been given so I believe the petitioners want us to look at those conditions and establish whether they have been met.

If the company is not meeting them then come out with measures of ensuring that the company meets those requirements a required by the law for them to continue holding the license for slaughtering the donkeys.

Of interest is that donkey meat is edible and also that noting that I think we do have in our culture we do not have those many donkeys around especially in my area so I did not even know that there is a population big enough to be slaughtered for meat and be to be edible as donkeys because the Bible says any animal which does not have split hooves should not be eaten but well we will look at the petition, Madam Speaker, and be able to come out with guidelines on what the petitioners are requesting for. Thank you, Madam Speaker.

**Hon. Speaker:** Thank you, Hon. Museku. Hon. Kamitu.....and I just wonder where is light in this chamber because I like it when we see each other. Serjeant at Arms?

**Hon. Kamitu:** Thank you very much, Hon. Speaker. Madam Speaker, in regard to the petition by the flower company workers Kenya union---

**Hon. Speaker:** We are not o that one Hon. Kamitu we are on the petition on account of donkeys.

**Hon. Kamitu:** Okay, Madam Speaker. In fact, Madam Speaker, having read the petition and hearing s you were reading through the petition, Madam Speaker, it is very important that we have noted in the report that the donkeys are really...the slaughter is really diminishing the number of donkeys we have in the county and I am wondering historically we are going to let that trend of donkeys to be slaughtered then in some years to come, our kids will only be reading that we had donkeys.

Therefore, in that regard, I support that as you said, our committee should look into these situations so that we minimize the slaughter rate that is happening now. Otherwise, I support that is you say we look into the areas so that we may not lose the money that is paid to the County but as what our Deputy Speaker had said it is important to see whether the slaughtering is illegal so that we may stop it there early as possible. Otherwise, thank you, Madam Speaker.

**Hon. Speaker:** Thank you. Hon. Alice.

**Hon. (Ms.) Nzioka:** Asante, Bi. Spika, kwa kunipa nafasi. Bi. Spika, kama vile ambavyo unajua hayo malalamiko yameletwa na wananchi kutoka sehemu ya wodi ya Kivaa; kama unavyojua ni sehemu ambayo ni kavu sana, barabara nyingi katika hizo sehemu hazipitiki. Kwa hivyo wananchi wengi wanatumia punda kama njia ya kubeba vitu, kulima pia na tangu hicho kichinjio kilipofunguliwa kumekuwa na shida sana ya wizi.

Sisi kama wakaazi wa sehemu hizo tumeadhirika sana sababu wizi umekuwa mwingi; unalala asubuhi unapata punda wako wamechinjwa, kumekuwa na wizi mwingi, na kama mwenye kichinjio alikuwa ameweka mkataba kwamba atakuwa akitafuta punda kutoka sehemu zingine na kuchinja huyo mkataba hajafuata. Wamefanya wizi uwe mwingi kwasababu wamepandisha bei ya kununua punda; utakuta unapeleka punda sokoni inanunuliwa kama shilingi elfu kumi, na awali bei ya punda ilikuwa chini.

Kwa hivyo wale ambao ni wezi wamechukua jukumu ya kuiba punda wanaenda kuuza. Bi. Spika, kamati ya tuseme mazigira ikitembea sehemu ya Kithyoko soko mahali ambapo kuna

kichinjio kuna uchafu mwingi sana. Kuhatarisha maisha ya watu wa Kithyoko na wapitaji maana ni sehemu ambayo imeunganisha kaunti ya Garissa na kaunti ya Machakos.

Kwa hivyo mimi naunga mkono na kama Bunge tuangalie hayo malalamiko vizuri ili tukaokoe hao watu wa Kithyoko maana kuleta malalamiko wamefuata mpaka wakaona sisi kama wabunge ndio wale ambao tunaweza wasaidia kwa hivyo wakati ambapo tutaanza kuangalia malalamiko yao, tuyaangalie kabisa, maana haja yetu kubwa ni kumlinda mwananchi awe na afya nzuri, aishi mahali pazuri maana hiyo ndiyo kazi ambayo tunapaswa kufanya. Ahsante.

**Hon. Speaker:** Thank you, Hon. Alice. Hon. Cosmus.

**Hon. Masesi:** Thank you, Madam Speaker. I was here when those residents from Kithyoko came and to my surprise the area MCA said that they did public participation with the area MP by then when they were launching the slaughterhouse and also we noted that they have employed a good number of youths. So, Madam Speaker, my concern is and you know sometimes it might not be the real owners of the donkeys who came here because I want to believe sometimes a person might be having some needs and he/she would like to sell the donkey to sort out his/her needs.

Therefore, Madam Speaker, mine is when the committee goes on the ground to try and crack the owners of the donkeys and get the real information, otherwise Madam Speaker I heard that even people from my ward where we do not even keep the donkeys signed even the petition.

Therefore, Madam Speaker, as I support the group, which brought the petition, we also need to look at might there be any positive side of this and maybe compare with the negative side of the donkeys. Otherwise, Madam Speaker, we do support and we will support the residents of this county of Machakos where necessary. Thank you, Madam Speaker.

**Hon. Speaker:** Thank you, Hon Cosmus. Members who are going to contribute, I want you to be very brief; Hon. Johana, Hon. King'ori and Hon. Constance in that order kindly.

**Hon. Munyao:** Thank you, Madam Speaker. I wish to start by thanking this Hon. House for standing with me during my daughter's pre-wedding.

*(Applause)*

I want to say a big thank you and again regarding the petition on the floor, I would like to say that any market equilibrium dictates that supply must equal demand and again as you locate a business anywhere, there are considerations or factors which we consider before locating a business. In addition, I am wondering even before the issuance of the license, whether by deciding to locate the slaughterhouse at Kithyoko, it meant we have more than required in terms of donkey numbers so that we could have the slaughterhouse located there.

Again, understand from the Member who has just contributed that there was public participation on the same. Whether again issues on whether the numbers were enough and how the project was to be sustained, whether such information was taken into consideration. Madam Speaker, we have also heard that they have even gone to an extent of slaughtering pregnant donkeys which is also a concern to the locals because we are assured of not having any growth in terms of population if that is the trend which is happening.

I want to believe there are public health officers or even meat inspectors who are involved in inspecting the donkeys and if they are also supporting slaughtering of donkeys in such state then it is all surprising; it is like we are not concerned on the rate at which the donkey population is being reduced in the county. So, Madam Speaker, I would support the petitioners and request that we handle the petition with the urgency it requires. Thank you.

**Hon. Speaker:** Thank you, Hon. King'ori.

**Hon. King'ori:** Thank you, Madam Speaker. I want to concur with the petitioners that donkeys have been slaughtered even in my area where some people even have been deprived their livelihood out of this notorious people who steal donkeys. Sometimes they slaughter them and they remove the flesh then they leave the carcass anywhere in the bush and several times they have complained to me and I told them that I will come and ask for the same but when I heard something has been done, then I decided not repeat the same.

Madam Speaker, you are aware that in Muthwani we have so many issues of insecurity; the insecurity in my area is running away so we need also to have security team to check on those people who are stealing from other people and other who are killing. Like the killing, which happened in Katani; it is very improbable to note that we have a Government which should defend our people and yet our people are being killed almost on daily basis. Thank you, Madam Speaker.

**Hon. Speaker:** Hon. King'ori, you sneaked in another issue but I let you go on because I appreciate it is a matter of life. Hon. Constance.

**Hon. (Ms.) C. Nzioki:** Thank you, Madam Speaker. First we must realize that public has now seen it that this House can do what the public there on the ground cannot do and that is why it was brought to us; I want to ask this House to be keen enough and do what we can to stop that. In the first place, donkeys were used for domestic issues. I do not know how it came to be donkeys are like cows and we can eat them and I do not know how much the government is gaining from this kind of trade because sincerely I have no idea if donkeys are eaten and how many people benefit from that meat on Machakos County.

As we try to stop this kind of a thing, are we gaining from it? If the government gets money for the license, we need to know how much is this money and how far is it taking the communities out there; they have now come out crying because most of them have missed their donkeys to help in drawing water from the rivers in doing many other things and when you look at it, Madam Speaker, it is weird when people are slaughtering donkeys.

It is like one slaughtering a dog; dog meat is never eaten and if it is eaten, I guess it is not in Machakos or in Kenya. Therefore, we need to look at it carefully and possibly stop the trade if we are not getting any value for that kind of trade. Thank you, Madam Speaker.

**Hon. Speaker:** Thank you, Hon. Members. Hon. Members, the petition is hereby committed to the agriculture committee and the committee is required to bring a report to the House within 30 days, Hon. Members. Next order.

### STATEMENT SOUGHT MITIGATION AGAINST MAIZE SALK BORERS

**Hon. Speaker:** Hon. Members, under this Order we have one business by the Hon. Moses Mitaa.

**Hon. Mitaa:** Thank you, Madam Speaker. Hon. Speaker, cases of maize stalk borers are currently on the rise in the entire County and this could negatively affect crop yield and as a result aggravate the current state of food insecurity in the County arising from successive rain failure in the last four seasons or so. The only hope for residents is the current maize crop which is in its early stages hence susceptible to destruction by the maize stalk borers if unchecked.

Pursuant to Standing Order 41, I wish to seek a Statement what mitigating measures the Department of Agriculture has put in place to control the destruction of maize plants by maize stalk borers. Thank you, Madam Speaker.

**Hon. Speaker:** Thank you, Hon. Mitaa, Hon. Members, we have a Statement that is sought; ordinarily we allow some comments from Members before the House decides on what to do with the Statement. We have any comments on this Statement from Members; Hon. Dominic Ndambuki.

**Hon. Ndambuki:** Thank you, Hon. Speaker. I stand to support the Statement that is being sought by the Hon. Moses Mitaa, about the insurgence of stalk borer. Hon Speaker, we have just experienced the onset of rainfall in our areas and looking back, we have had a period of dry spell where our people were almost at the verge of experiencing hunger and drought was biting.

Hon. Speaker, as leaders we cannot sit and see the few crops that we planted being destroyed and considering that we were staring at hunger, Madam Speaker, the Statement being sought comes at the right time so that we can move with speed and see that we support our people. Thank you, Hon. Speaker.

**Hon. Speaker:** Thank you Hon. Dominic. Hon. Kalumu.

**Hon. Kalumu:** Thank you, Madam Speaker. I would like first to support the Statement that has been sought by the Chairman of Agriculture committee and say that it is not now the first time this is on that, maize is being affected by the same stalk borer. In fact, the yields which were expected last rain season was also affected by the same although the rains were not enough to sustain or make the maize yield enough food for the county, the stalk borers contributed to lower the yields to those who irrigate their shambas like Kithimani ward.

So, I would like to say it has been sought at the right moment so that the department of agriculture can bring help or bring a lasting solution because for those farmers who cannot get some.....we are spraying with some pesticides for the survival of the maize but there are those few who cannot afford. So, it is the right time now that the government knows that---

**Hon. Speaker:** The majority are those who cannot afford.

**Hon. Kalumu:** We are requesting the government of the day to sincerely support farmers so that we can harvest foods that can support our people so that they may not face famine. Thank you, Madam Speaker.



**Hon. Speaker:** Thank you, Hon. Kalumu. Hon. Cosmus Masesi.

**Hon. Masesi:** Thank you, Madam Speaker. I stand to support the statement by the Chairman of agriculture committee Hon. Mitaa pertaining to what we intend to harvest from the maize which we have already grown. Madam Speaker, of late we have been hearing and seeing on the media about aflatoxin on the same which I don't know how we will marry both and also make sure our residents are on the safe side as we take this maize across the county.

Madam Speaker, we need to work on the Statement and maybe if possible we have a budget for the same and make sure that the county residents take as little as possible in terms of the aflatoxin which is originating from the same crop maize. Thank you, Madam Speaker.

**Hon. Speaker:** Thank you, Hon. Cosmus. Hon. Alice Nzioka.

**Hon. (Ms.) Nzioka:** Ahsante Bi. Spika. Niunge mkono taarifa ambayo imetolewa na mwenyekiti kamati kilimo. Bi. Spika, kama ambavyo unajua kilimo ni uti wa mgongo wa nchi yetu na hasa sehemu kama ya Machakos kumekuwa na njaa sio eti wananchi hawalimi; kama mvua iliyoisha hakukuwa mvua ya kutosha lakini wananchi hawakuvuna. Kwa nini? Kumekuwa na njanga la viwavi, unakuta shamba umepanda na hata kabla mahindi imemea hivi, viwavi wanaanza kuvamia.

Nimechunguza kuona kwamba ukiendesa soko kutafuta dawa inakugharimu pesa nyingi sana na hali ya umasikini ambao ina watu wetu, hawawezi kumudu kununua hizo dawa. Wanatumia dawa za kienyeji kuona kwamba watamaliza. Kwa hivyo kama Kaunti sababu wizara ya kilimo iligatuliwa kuletwa chini, waone wamepatia wananchi dawa ili wasipatwe na umaskini kwa sababu, mwananchi ukiongea na yeye anakuuliza; nitatafuta dawa ama ni chakula. Kwa hivyo sisi kama Kaunti, kupitia kwa wizara ya kilimo tuone kwamba hio dawa ya viwavi imepatikana ambayo inaweza kumaliza kabisa. Asante.

**Hon. Speaker:** Thank you, Hon. Alice. Hon. Members, the Statement is hereby committed to the department of Agriculture and the CEC Member for the department of agriculture to present a report on the matters that are raised in the statement within seven days. Mr. Clerk, proceed.

### MOTION

#### REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE REPORT OF CONTROLLER OF BUDGET FOR THE FIRST THREE QUARTERS OF 2018/19

**Hon. Speaker:** Hon. Members, we have one business by Hon. Dominic Ndambuki. This matter Members was to slotted to come up in the afternoon but it was felt necessary by the office of the Speaker that the Assembly needs to do work this morning. So, part of the business is going to be transacted this morning and the other part in the afternoon because the Speaker is also chairing another proceeding of the committee of Powers and Privileges on a matter that by law is supposed to be considered and a report presented to this House expeditiously. Hon. Dominic, Ndambuki.

**Hon. Ndambuki:** Thank you, Hon. Speaker.

Hon. Speaker, that aware that the office of the Controller of Budget (CoB) is mandated to oversee and report on implementation of the budgets of both National and County Governments as per Article 228(4) of the Constitution of Kenya 2010;

Aware that the first three quarters report from the CoB was submitted to the County Assembly and it provides information on budget implementation by the 47 Counties covering the period from July 2018 to February 2019 and that it contains analysis on county Budgets, own source revenue generated, conditional grants and fiscal transfers from the National Governments and expenditure;

Acknowledging that the committee on budget analyzed the Machakos county budget implementation report as presented by the CoB and compiled a report on the same;

Hon. Speaker, I wish to move the motion that this House discusses and approves the report of the Budget committee on the report of the CoB for the first three quarters fiscal year 2018/2019.

Thank you, Hon. Speaker. I wish to call upon Hon. Angela Munyasya to second.

**Hon. Speaker:** Thank you, Hon. Dominic. Hon. Angela Munyasya.

**Hon. (Ms.) Munyasya:** Thank you, Madam Speaker. I second the motion.

**Hon. Speaker:** Thank you, Hon. Munyasya. Hon. Dominic.

**Hon. Ndambuki:** Thank you, Hon. Speaker. I am going to read the report of the Budget and Appropriations committee on the report of the Controller of Budget on the first three-quarters fiscal year 2018/2019.

#### *INTRODUCTION*

Hon. Speaker, the office of the Controller of Budget is mandated to oversee and report on implementation of the budgets of both National and County Governments as per Article 228(4) of the Constitution of Kenya 2010. The first three quarters report was submitted to the County Assembly and it provides information on budget implementation by the 47 Counties covering the period from July, 2018 to February, 2019.

It contains analysis on county Budgets, own source revenue generated, conditional grants and fiscal transfers from the National Governments and expenditure. The information is extracted from reports on financial and non-financial performance submitted to CoB in line with Section 166 and 168 of the PFM Act, CARA 2018, IFMIS and other information gathered by the office in the course of overseeing budget implementation.

#### *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.'

Madam Speaker, 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*

Madam Speaker, the committee as constituted by this Assembly comprises of the following

Members:

- |    |                       |                    |
|----|-----------------------|--------------------|
| 1. | Hon. Dominic Ndambuki | - Chairman         |
| 2. | Hon. Angela Munyasya  | - Vice Chairperson |
| 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     | “                  |

#### *BRIEF ON THE REPORT OF THE CONTROLLER OF BUDGET FOR MACHAKOS COUNTY FOR THE FIRST THREE QUARTERS OF FY 2018/2019*

##### *Overview of the FY 2018/19 Budget*

Hon. Speaker, the County's 2018/19 approved budget was Ksh. 12.23 billion, comprising of Ksh. 7.63 billion translating to 62.4 per cent and Ksh. 4.60 billion translating to 37.6 per cent allocation for recurrent and development expenditure respectively. To finance the budget, the County expected to receive Ksh. 8.32 billion translating to 68.0 per cent as equitable share of revenue raised nationally, Ksh. 2.19 billion which is a 17.9 per cent as total conditional grants, generate Ksh. 1.72 billion which is 14.1 per cent from own-source revenue, and Ksh. 1.41 billion which is cash balance brought forward from 2017/18 which the County did not budget.

##### *Revenue Analysis*

Madam Speaker, during the first nine months of FY 2018/19, the County received Ksh. 4.89 billion as equitable share of revenue raised nationally, Ksh. 1.16 billion as total conditional grants, raised Ksh. 527.44 million from own-source revenue, and had a cash balance of Ksh. 1.41 billion from FY 2017/18. The total available funds amounted to Ksh. 8.29 billion. The County generated a total of Ksh. 527.44 million as own-sources of revenue during the first nine months of FY 2018/19. This represented a decrease from Ksh. 633.21 million realized during the same period of the FY 2017/18 and represented 30.7 per cent of the annual target.

##### *Machakos County, Conditional Grants/Loans Received in the First Nine Months of FY 2018/19*

Hon. Speaker, the County received Ksh. 1.46 (1.16) billion as conditional grants in the first nine months of the financial year. Analysis of revenue from conditional grants in the period under review indicates that, the County received the full allocation from Kenya Urban Support Project.

S/NO	GRANTS	Annual Cara, 2018, Allocation In Kshs	Annual Budget Allocation (in Kshs)	Actual Receipts in First Nine Months of FY 2018/19 (in Ksh.)	Actual Receipts as Percentage of Annual Allocation (%)
1.	IDA (World Bank) –Kenya Urban Support Project	1,018,320,500	1,018,320,500	1,018,320,500	100
2.	Conditional Grants to Level- 5 Hospitals	383,583,815	383,583,815	168,776,879	44
3.	Road Maintenance Fuel Levy Fund	219,084,683	219,084,683	109,542,342	50
4.	Leasing of Medical Equipment	200,000,000	200,000,000	Nil	Nil
5.	IDA (World Bank) –Kenya Climate Smart Agriculture Project	117,000,000	117,000,000	41,070,411	35.1
6.	World Bank- Transforming Health Systems for Universal Care Project	95,401,875 95	95,401,875 95	31,284,358.90	32.8
7.	IDA (World Bank) -	54,295,000	54,295,000	Nil	Nil

	National Agricultural and Rural Inclusive Growth				
8.	Rehabilitation of Village Polytechnics	53,423,784	53,423,784	Nil	Nil
9.	IDA (World Bank) Kenya Devolution Support Programme "Level 1 grant	24,129,039	24,129,039	Nil	Nil
10.	DANIDA - Universal Healthcare to Devolved System Programme	24,806,250	24,806,250	12,403,125	50
11.	IDA (World Bank) –Kenya Urban Support Project – Urban	41,200,000	41,200,000	Nil	Nil
12.	Sweden- ASDSP	21,107,671	21,107,671	-	-
	<b>Sub totals</b>	<b>2,252,352,617</b>	<b>2,252,352,617</b>	<b>1,381,397,615.90</b>	<b>63.1</b>
<b>Other grants</b>					
13.	Universal Health Coverage (UHC) Grants	Nil	Nil	84,033,063	
	<b>Grand totals</b>	<b>2,252,352,617.0</b>	<b>2,252,352,617.0</b>	<b>1,465,430,684</b>	<b>65.1</b>

#### *Exchequer Issues*

Hon. Speaker, to finance the budget, the Controller of Budget approved the withdrawal of Ksh. 7.51 billion from the County Revenue Fund Account. The withdrawals represented 61.4 per cent of the Approved Budget and translated to an increase of 58.1 per cent from Ksh. 4.75 billion approved in the first nine months of FY 2017/18 and comprised of Ksh. 5.54 billion (45.3 per cent) to fund recurrent expenditure and Ksh. 1.97 billion (16.1 per cent) for

development activities.

#### *Overall Expenditure Review*

The County spent a total of Ksh. 5.97 billion on recurrent and development activities. The total expenditure represented 79.4 per cent of the total funds released from the County Revenue Fund Account and was an increase of 28.4 per cent from Ksh. 4.65 billion spent in the first nine months of FY 2017/18. The expenditure excluded outstanding commitments as at March 31, 2019 which amounted to Ksh. 798.01 million for development activities and Ksh. 156.19 million for recurrent expenditure. Expenditure on recurrent activities amounted to Ksh. 5.22 billion while Ksh. 744.34 million was spent on development activities.

The recurrent expenditure was 94.2 per cent of the funds released for recurrent activities, while development expenditure was 37.8 per cent of funds released for development activities. The recurrent expenditure represented 68.5 per cent of the annual recurrent budget, an increase from 61.8 percent recorded in the first nine months of FY 2017/18. Development expenditure recorded an absorption rate of 16.2 per cent, which was an increase from 10.8 per cent attained in the first nine months of FY 2017/18.

#### *Analysis of Recurrent Expenditure*

Hon. Speaker, the total recurrent expenditure of Ksh. 5.22 billion comprised of Ksh. 3.96 billion which is a 74 per cent incurred on personnel emoluments and Ksh. 1.26 billion which is a 21.1 per cent on operations and maintenance.

Expenditure on personnel emoluments represented an increase of 15.2 per cent compared to a similar period of FY 2017/18 when the County spent Ksh. 3.44 billion, and was 66.4 per cent of total expenditure in the first nine months of FY 2018/19.

The County spent Ksh. 20.18 million to cater for the committee sitting allowances for the 60 MCAs including the speaker against the annual budget allocation of Ksh. 80.21 million compared to Ksh. 6.49 million spent in a similar period of FY 2017/18. The average monthly sitting allowance translated to Ksh. 37,378 per MCA against the SRC's recommended monthly ceiling of Ksh. 124,800.

Expenditure on domestic travel amounted to Ksh. 361.87 million and comprised of Ksh. 141.15 million spent by the County Assembly and Ksh. 220.72 million spent by the County Executive. This represented 6.9 percent of total recurrent expenditure and was an increase of 101.6 per cent compared to Ksh. 207.84 million spent in the first nine months of FY 2017/18.

#### *Development Expenditure*

Hon. Speaker, The total development expenditure of Ksh. 744.40 million represented 16.2 percent of the annual development budget of Ksh. 4.60 billion. Machakos County, List of Development Projects with the highest expenditure in the FY 2018/19

S/N	Project Name	Location	Project Budget (Kshs)	Project Expenditure In The First Nine Months(Kshs)	Absorption Rate
	Construction of Nthungululu dam	Yatta	150,000,000	46,406,868.30	31

Construction of a 12 storey building at the Machakos New City	Machakos	394,999,999	41,407,638	10
Construction of Government building at the Machakos New city	Machakos	399,640,361	34,165,960	9
Construction of Mumbuni dam	Kibauni	78,000,000	19,915,410.90	26
Construction of Machakos County Office	Machakos	287,110,237	14,971,734	5
Routine Maintenance of Kithini-Vota road	Machakos	21,339,957	12,494,431	59
Routine Maintenance of Kenol-Muthwani-Lukenya road	Mavoko	11,225,331	11,211,046	100
Construction of Machakos Conference facility at Machakos People's Park	Machakos	74,170,816	710,830,451	15
Routine maintenance Kathiani-Kangundo road	Kangundo	16,211,916	9,994,316	62
Installation of drainage facilities at Kituluni-Kitambaasye road	Matungulu	9,806,000	9,732,800	99

#### *Budget Performance by County Departments*

Hon. Speaker, the analysis of expenditure by the department shows that the Office of the Governor recorded the highest absorption rate of development budget at 127 per cent while the Department of Trade, Investment, Economic Planning, Industrialization and Energy did not incur any development expenditure.

The Department of Public Service, Labour, and ICT had the highest percentage of recurrent expenditure to recurrent budget at 860.2 percent while the County Public Service Board had the lowest at 5.2 percent. The recurrent expenditure by the Department of Public Works, ICT and Labour exceeded the approved recurrent estimates as all wage bills are irregularly charged to the department.

#### *MEETING WITH THE CHIEF OFFICER LABOUR, PUBLIC SERVICE AND ICT*

Hon. Speaker, the Chief Officer, Labour, Public Service, and ICT was invited by the Committee on 15<sup>th</sup> October, 2019. Members deliberated on the following issues:

- i. Asked on why the Department of Public Service, Labour, and ICT had the highest percentage of recurrent expenditure to recurrent budget at 860.2 percent while the County Public Service Board had the lowest at 5.2 percent. The Chief Officer responded that the Budget for staff salaries is provided for under every departmental budget. However, payroll administration is centralized under the public service management and at the time of preparation of monthly payroll for payment of staff salaries, the various departmental salary budget components are pooled under the Department of Public Service management for ease of payment and authorization.
- Therefore, the indicated increase of 860.2 per cent was only reflected in the IFMIS due to the above-mentioned process but in actual fact, it is not an increase in terms of financial resources under the department of Public Service Management.
- ii. Asked on whether the Department had Action Plan to reduce the wage bill as per the directions of the budget policy statement, the Chief Officer tabled the following action plan which will be used as a tool to reduce the wage bill.

<b>Proposed actions</b>	<b>Methodology</b>	<b>Remarks</b>
Elimination of excel payroll	All staff to be paid through the IPPD System.	Use of excel payroll to be stopped by the end of October, 2019.
Freeze on external recruitment	Currently, all external recruitment frozen except for new donor-funded projects like UHC.	This will ensure that the wage bill does not increase above the current position
No replacement of exiting staff except in specialized/technical areas like in the Department of Health, Water and Infrastructure etc	Positions left vacant by staff upon death, retirement, resignation and dismissal not to be replaced.	This will achieve drastic reduction in staff numbers through natural attrition.
Minimize the use of casual employees	Most casual employees mostly in the department of Health Services to be drastically reduced	Already close to 200 casuals employees under the Department of Health Services have exited.
Consider voluntary Early Retirement (V.E.R) for some employees	The county may consider implementing VER or declare redundancies where necessary	This is still a proposal and only will be used as a last resort to reduce number of staff in specific area with excess staff.

#### *Observations*

1. The Committee observed that the Action Plan had not been tabled before the Cabinet since it did not have any signs of adoption or approval by the Cabinet.



2. The action plan was shallow and lacked details. It did not have key performance indicators. It also lacked the key elements of good Action Plan, that is: Specific, Measurable, Achievable, Realistic and Time-bound. The Action Plan should also have a Supportive Back-up from the County Executive Committee.

*Committee observations*

Hon. Speaker;

- 1) The County generated a total of Ksh. 527.44 million as own-sources of revenue during the first nine months of FY 2018/19. The own-sources of revenue collected during the period represented a decrease from Ksh. 633.21 million realized during the same period of the FY 2017/18 and represented 30.7 percent of the annual target.
- 2) Most of the County entities did not spend all the money that was requisitioned from the exchequer while others did not requisition funds but they had expenditures
- 3) The Department of Public Service, Labour and ICT had the highest percentage of recurrent expenditure to recurrent budget at 860.2 percent. This is because all wage bills are irregularly charged to the department. This is against Article 207(2)(b) of the Constitution of Kenya, 2010.
- 4) Department of Trade, Investment, Economic Planning, Industrialization and Energy did not incur any development expenditure yet it has an allocation of Ksh. 91.38 million.
- 5) The total development expenditure of Ksh. 744.40 million represented 16.2 percent of the annual development budget of Ksh. 4.60 billion which is contrary to section 107 of the PFM Act, 2012 which stipulates a minimum of 30 per cent of the total expenditure.
- 6) The wages expenditure was 66.4 percent of the total expenditure contrary to section 107 of the PFM Act, 2012 and corresponding regulations which stipulate a maximum of 35 percent.

Hon. Speaker, the County has made progress in addressing some of the challenges previously identified as affecting budget implementation. Some of the progress includes:

- i. Establishment of the Internal Audit Committee in line with Section 155 of the PFM Act, 2012. However, the committee is yet to table furnish the Assembly with a status report.
- ii. Timely submission of financial reports to the Controller of Budget by the County Treasury in line with Section 166 of the PFM Act, 2012.
- iii. There was an improvement in development budget absorption for 2018/19 as compared to 2017/18.

Despite the above progress, the following challenges continued to hamper effective budget implementation;

1. A high wage bill that increased by 15.2 percent from Ksh. 3.44 billion in the first nine months of FY 2017/18 to Ksh. 3.96 billion in the first nine months of FY 2018/19. The wage bill accounted for 66.4 percent of total expenditure in the reporting period.

2. Delays by Fund Administrators of both the County Assembly and the County Executive Car Loan and Mortgage Funds to submit expenditure reports contrary to Section 168 of the PFM Act, 2012.

#### *Committee Recommendations*

Hon. Speaker, in order to improve budget execution, the County should implement the following recommendations;

1. The County Public Service Board should establish an optimal staffing structure in order to ensure a sustainable wage bill.
2. The CECM Finance should ensure the Fund Administrators prepare and submit expenditure reports on the in line with Section 168 of the PFM Act, 2012.
3. Machakos County is not accessing all the available grants for County Governments. Such grants include EU for instruments for Devolution Advice and Support Ksh. 1.04 billion, IDA for water and sanitation development project Ksh. 3.8 billion, IDA for Kenya Devolution support project Level 2 at Ksh. 4.0 billion, Sweden for Agricultural Sector Dev. Support programme at Ksh. 1.0 billion, EU for water tower protection and climate change mitigation and adaption programme at Ksh. 880 million, IDA for Kenya Urban Support project for Urban institutions at Ksh. 1.84 billion and Compensation of User Fee Foregone at Ksh. 900 million. The county Government should engage the Senate and other development partners to enable them access the same conditional grants.
4. The Department of Labour, Public Service, and ICT together with the County Public Service Board should adopt the recommendation by the CoB to establish an optimal staffing structure in order to manage the ballooning wage Bill. They should further forward to the committee a copy of the approved Action Plan that is SMART as instructed by the National Treasury through the Budget Policy Statement. The Action Plan should be forwarded to the Committee on Budget and Appropriations on or before 15<sup>th</sup> November, 2019
5. The Chief Officer, Labour, Public Service, and ICT should ensure that other Departments are responsible for their own expenditure to avoid audit queries. The Budget implementation should be as per the approved budget estimates by the County treasury; for instance, in the case of the Department of Labour, Public Service and ICT which has an absorption rate of 860.2 percent, the committee directed that the County Secretary, the CECM and CO, for Labour. Public Service and ICT should table the matter before the Cabinet. A progress report on the same to be reported to the Committee on or before 15<sup>th</sup> November, 2019.
6. 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.

#### *Acknowledgment*

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.

Hon. Speaker, it is, therefore, my privilege, on behalf of the Budget and Appropriations Committee to table the Report of the Controller of Budget for the first half year FY 2018/19; in this Hon. House for consideration and adoption. Thank you, Madam Speaker.

*(Applause)*

**Hon. Speaker:** Thank you, Hon. Dominic Ndambuki.

*(Question proposed)*

Hon. Members, I will invite you to debate the Motion but I just want to point out that the debate as earlier communicated will commence on the 13th day of November 2019 at 2.30 p.m. that is today.

### **ADJOURNMENT**

**Hon. Speaker:** Hon. Members, at this point the sitting of the House is adjourned to commence on the 13th day of November 2019 at 2.30 p.m.

The House rose at 11.54 a.m.