

REPUBLIC OF KENYA
MACHAKOS COUNTY ASSEMBLY
OFFICIAL REPORT

Wednesday, 24th November, 2021

The House met at 10.22 a.m.

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

PRAYERS

MOTION

**APPROVAL OF REPORT OF THE COUNTY BUDGET
REVIEW AND OUTLOOK PAPER 2020**

Hon. Deputy Speaker: Hon. Members, under this Order, we have one business which is to be transacted by Hon. Dominic Ndambuki, chairman of the Budget 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 Appropriations Committee of the county assembly to be laid before the County Assembly; 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 it was 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 Appropriations on the County Budget Review and Outlook Paper.

I wish to call upon Hon. Angela Munyasya to second.

Hon. Deputy Speaker: Hon. Angela Munyasya.

Hon. (Ms.) Munyasya: Thank you, Hon. Chair. I second the motion.

Hon. Deputy Speaker: Thank you; Chair you may read the report.

Hon. Ndambuki: Thank you, Hon. Speaker.

I am going to read the report of the Budget and Appropriations Committee on the County Budget Review and Outlook Paper 2020, prepared this February, 2021.

Hon. Speaker, the County Budget Review and Outlook Paper (CBROP) is a budget document that shows a review of the previous financial year's budget performance and its impact on the level of future revenue.

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.

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 2020 CBROP was submitted to the Assembly on 19th October, 2020 and committed to Budget Committee and Appropriations Committee for analysis and eventual tabling before the House.

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.'

Hon. 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

Hon. 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	Member
4. Hon. Winnie Mutua	“
5. Hon. Thomas Mutinda	“
6. Hon. Ikusya Kaloki	“
7. Hon. Jacqueline Nziva	“
8. Hon. Moffat Maitha	“
9. Hon. Daniel Mbevi	“

LEGAL BASIS

Hon. Speaker, the CBROP 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. The Paper includes;

- a. Actual fiscal performance in the previous financial year compared to the budget Appropriation that year.

- b. 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 how actual performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the latest County Fiscal Strategy Paper; and
- d. The reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.

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 and not later than seven days after the CBROP has been approved by Executive Committee, the county treasury shall:

- a. Submit the Paper to the Budget Appropriations Committee of the county assembly to be laid before the County Assembly; and
- b. Publish and publicize the Paper not less than fifteen days after laying the paper before County Assembly.

FISCAL PERFORMANCE PERFORMANCE FY 2019/20

Hon. Speaker, the County had an approved budget of Ksh. 12.82 billion comprising of Ksh. 7.85 billion for development and Ksh. 4.97 billion for recurrent expenditure. To finance the budget, the county expected to receive Ksh. 8.22 billion as equitable share, Ksh. 2.39 billion as conditional grants---

Hon. Deputy Speaker: Hon. Chair, I need you need to relook at that and it should be the other way round; the Ksh. 7.85 is recurrent and Ksh. 4.97 is development.

Hon. Ndambuki: Thank you, Hon. Speaker, for the correction and I repeat;

FISCAL PERFORMANCE PERFORMANCE FY 2019/20

Hon. Speaker, the County had an approved budget of Ksh. 12.82 billion comprising of Ksh. 7.85 billion for recurrent and Ksh. 4.97 billion for development expenditure. To finance the budget, the county expected to receive Ksh. 8.22 billion as equitable share, Ksh. 2.39 billion as conditional grants and Ksh. 2.21 billion as own revenue.

This was however revised during the year resulting to Ksh. 7.75 billion equitable share, Ksh. 2.97 conditional grants Ksh.1.16 billion and Ksh. 1.44 unspent balance for the previous year. Sorry, the Ksh. 1.16 billion is own source revenue.

Revenue performance

During the FY 2019/2020, the County realized total revenue of Ksh. 12.26 billion against a revised target of Ksh. 13.33 billion. this comprised of Ksh. 7.09 billion equitable share, Ksh. 2.19 billion conditional grants, Ksh. 1.38 billion own source revenue, and a cash balance of Ksh. 1.6 billion from FY 2018/19.

The Fiscal Out-turn for the FY 2019/2020 Mr. Speaker if you allow since all Members have these reports is as given as the table below.

	Approved	Revised Budget 1	Revised Budget	Expenditure FY
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	Budget		2	
	2019/20	2019/20	2019/20	2019/2020
Total Revenue	12,822,260,774	13,491,370,161	13,329,651,161	12,261,310,977
Equitable Share	8,223,915,000	7,754,250,000	7,754,250,000	7,087,384,500
Conditional Grants	2,385,681,028	2,683,596,674	2,969,677,674	2,194,383,272
Own Source Revenue	2,212,664,746	1,608,576,900	1,160,776,900	1,376,171,810
Unspent Balances B/f	-	1,444,946,587	1,444,946,587	1,603,371,394
Total Expenditure	12,822,260,774	13,491,370,161	13,329,651,161	11,744,054,168
Recurrent	7,850,709,244	8,105,621,418	8,634,977,192	8,550,381,962
County Assembly	911,145,156	911,145,156	911,145,156	865,644,994
County Executive	6,939,564,088	7,194,476,262	7,723,832,036	7,684,736,968
Development	4,971,551,530	5,385,748,743	4,694,673,969	3,193,672,206
County Assembly	387,000,000	387,000,000	387,000,000	48,206,002
County Executive	4,584,551,530	4,998,748,743	4,307,673,969	3,145,466,204

In that summary, the County targeted to collect 2.21 billion in the financial year 2019/2020 to supplement revenues expected from the national government through equitable share and conditional grants. This was revised to Ksh. 1.61 billion and as the effects of the COVID-19 increased towards the end of the third quarter, the county reviewed its target to Ksh. 1.16 billion in the fourth quarter of the financial year. The county total collections were Ksh. 1.38 billion in the period under review which is 19 percent above the target.

County Own Source Revenue per Month

Hon. Speaker, on monthly basis, revenue collections performed better from the Month of January with the highest collections being realized in March for both 2018/2019 and 2019/2020 financial years. This scenario can be attributed to the fact that most single business permits are renewed during this period. The table below shows monthly performance for Own source revenue and I wish to request that the House looks at that table.

Month	FY 2017/18	FY 2018/19	FY 2019/2020
July	53,539,878	89,590,058	31,372,059
August	40,723,707	87,862,465	98,226,533
September	9,635,664	74,255,277	56,142,143
October	43,532,141	92,011,409	91,181,015
November	82,343,131	72,489,867	125,196,369
December	71,715,323	67,381,613	69,257,635
January	94,833,260	152,237,553	137,151,168
February	101,903,369	155,043,113	169,093,951
March	134,984,303	196,686,805	197,953,152
April	182,325,103	188,124,177	127,347,795
May	138,579,517	197,034,130	65,685,264
June	130,089,449	184,495,174	207,564,726
TOTAL	1,084,204,845	1,557,211,641	1,376,171,810

Conditional Grants

Hon. Speaker, The County expected to receive Ksh. 2.97 billion as conditional grants while actual receipts amounted to Ksh. 2.19 billion representing a 74 per cent performance. The individual performance of conditional grants is as indicated in table below that Hon. Speaker, I would wish Members to look at for revenue performance FY 2019/2020.

From that table it shows some of the allowances and emergency response towards Covid-19 pandemic. Hon. Speaker if you allow I will request the House they look at the table and we go straight to expenditure performance.

Revenue Stream	Actual FY 2018/19	Approved Revenues FY	Revised Revenues 1 FY	Revised Revenues 2 FY	Actual Revenues FY	Rate (%)
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		2019/2020	2019/20	2019/20	2019/20	
Equitable Share	8,321,000,000	8,223,915,000	7,754,250,000	7,754,250,000	7,087,384,500	91
Level 5 Hospital	383,583,815	383,583,815	477,561,850	477,561,850	383,583,813	80
Universal Healthcare in Devolved System Program	24,806,250	24,843,750	24,843,750	24,843,750	34,118,750	137
Transforming Health Systems For Universal Care Project	39,211,189	129,858,778	138,506,799	138,506,799	129,858,778	94
Kenya Devolution Support Program 1	-	83,423,784	98,982,811	98,982,811	30,000,000	30
Development of Youth Polytechnics	40,992,724	51,093,298	57,431,523	57,431,523	51,093,298	89
User Fees Foregone	24,129,039	24,129,039	24,129,039	24,129,039	24,129,039	100
RMFLF	219,084,684	361,687,117	363,636,021	363,636,021	220,109,531	61
Agricultura l Sector Development	7,684,832	17,869,663	25,554,495	25,554,495	17,308,053	68

Project							
Kenya Urban Support Program-UDG	1,059,520,500	1,018,320,500	1,018,320,500	1,018,320,500	728,342,327		72
Urban Institutional Grant	-	8,800,000	50,000,000	50,000,000	8,800,000		18
Kenya Climate Smart Agriculture Project	41,070,411	150,156,390	188,681,926	188,681,926	112,892,547		60

Universal Health Project	168,066,134	-	84,033,066	84,033,066	168,066,136		200
Leasing of Medical Equipment	-	131,914,894	131,914,894	131,914,894	-		-

Revenue Stream	Actual FY 2018/19	Approved Revenues FY 2019/2020	Revised Revenues 1 FY 2019/20	Revised Revenues 2 FY 2019/20	Actual Revenues FY 2019/20	Rate (%)
Own Sour						

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Revenue	1,557,211,641	2,212,664,746	1,608,576,900	1,160,776,900	1,376,171,810	119
COVID-19 Allowances	-	-	-	97,560,000	97,560,000	100
COVID-19 Emergency Response	-	-	-	188,521,000	188,521,000	100
Unspent Funds	1,443,610,184	-	1,444,946,587	1,444,946,587	1,603,371,394	111
Total	13,329,971,403	12,822,260,774	13,491,370,161	13,329,651,161	12,261,310,976	92

Hon. Deputy Speaker: I think that is okay but maybe what we can do is talk about the totals.

Hon. Ndambuki: Thank you, Hon Speaker, for the guidance. I am going to look at the actuals for 2018/2019; total being Ksh. 13,329,971,403; approved revenues for 2019---

Hon. Deputy Speaker: Read the final revision.

Hon. Ndambuki: Thank you, Hon. Speaker; I stand to be guided. Actual revenues for 2019/2020 were Ksh. 12,261,310,976 being a 92 per cent of the actual budget. Thank you, Mr. Speaker, and we go to the expenditure performance.

Expenditure Performance

Hon. Speaker, the analysis of expenditure by economic classification shows that compensation of employees had the highest absorption rate at 100 per cent followed by use of goods and services at 95 per cent and finally acquisition of assets and non-financial assets at 68 per cent.

This was an improvement from the previous financial year (FY 2018/2019) where the county achieved an absorption rate of 98 per cent, 85 per cent and 52 per cent for Compensation of employees, use of goods and services and acquisition of assets and non-financial assets respectively as shown below where Hon. Speaker, I would wish Hon. Members to look at and

actual expenditure for 2019/2020 we had a total expenditure of Ksh. 11,744,054,168, total absorption rate being 88 per cent.

Economic Item	Actual FY 2018/2019	Approved FY 2019/2020	Revised Estimates FY 2019/2020	Actual expenditure FY 2019/2020	%
Compensation of Employees	5,239,389,192	4,490,961,863	5,619,958,538	5,682,186,645	101
Use of goods and Services	4,924,864,200	3,359,747,382	3,015,018,675	2,868,195,317	95
Acquisition of Assets	1,623,733,886	4,971,551,530	4,694,673,948	3,193,672,206	68
Sub Total	11,787,987,278	12,822,260,775	13,329,651,161	11,744,054,168	88

County Entities Expenditure Analysis

Hon. Speaker, all county entities achieved an absorption rate of above 95 per cent of their recurrent budget allocations hence 99 per cent overall recurrent expenditure. On development expenditure, all county entities achieved above 70 per cent with exception of Health and County Assembly at 39 per cent and 12 per cent respectively.

Table 5 below gives the detailed analysis of every county entity and I would wish that Hon. Members and entire House to look at that table that shows that analysis and the total for recurrent actual for 2019/2020 was Ksh.8,550,381,962 being and absorption rate of 99 per cent.

County Entity		Approved Budget FY 2019/20	Revised Estimates 1 FY 2019/20	Revised Estimates 2 FY 2019/20	Actual Expenditure FY 2019/20	Budget Execution %
Office of the Governor	Recurrent	552,706,200	552,706,199	562,706,199	558,112,387	99
	Development	5,422,300	5,422,300	5,422,300	5,234,967	97
	Total	558,128,500	558,128,499	568,128,498	563,347,354	99
County Public Service Board	Recurrent	59,009,725	55,341,042	52,074,133	50,826,976	98
	Development	10,000,000	7,647,903	-	-	-
	Total	69,009,725	62,988,944	52,074,133	50,826,976	98
Roads, Transport and Public Works.	Recurrent	202,268,477	180,551,951	159,286,031	158,634,117	100
	Development	1,364,097,057	1,257,786,139	1,360,802,629	1,101,426,987	81
	Total	1,566,365,534	1,438,338,090	1,520,088,660	1,260,061,104	83
Health Services and Emergency Services	Recurrent	3,368,590,374	3,395,512,272	3,540,992,099	3,535,456,315	100
	Development	586,173,909	643,719,406	734,106,046	284,766,161	39
	Total	3,954,764,283	4,039,231,678	4,275,098,145	3,820,222,476	89
Agriculture, Food Security and Co-Operative Development.	Recurrent	383,449,083	369,505,035	339,547,931	334,596,037	99
	Development	354,525,927	362,765,786	255,474,498	188,169,287	74
	Total	737,975,010	732,270,821	595,022,429	522,765,324	88
County Assembly	Recurrent	911,145,156	911,145,156	911,145,156	865,644,994	95
	Development	387,000,000	387,000,000	387,000,000	48,206,002	12
	Total	1,298,145,156	1,298,145,156	1,298,145,156	913,850,996	70

Water, Irrigation, Environment and Natural Resources	Recurrent	122,720,525	112,863,059	109,792,679	106,330,896	97
	Development	500,220,026	810,180,177	404,344,963	354,332,955	88
	Total	622,940,551	923,043,236	514,137,642	460,663,851	90
Finance and Economic Planning.	Recurrent	556,162,299	480,662,299	473,937,094	471,286,368	99
	Development	89,738,163	89,738,163	87,546,843	68,323,126	78
	Total	645,900,462	570,400,462	561,483,937	539,609,494	96
Public Service, Quality Management and ICT	Recurrent	509,030,705	783,571,383	1,356,406,403	1,354,162,765	100
	Development	11,765,400	33,633,824	6,243,079	5,689,310	91
	Total	520,796,105	817,205,207	1,362,649,482	1,359,852,075	100
Tourism, Youth, Sports and Culture.	Recurrent	103,897,125	141,461,247	109,906,265	107,326,848	98
	Development	130,000,000	206,422,738	85,438,544	60,333,844	71
	Total	233,897,125	347,883,985	195,344,809	167,660,692	86
Trade, Industrialization and Innovation.	Recurrent	255,701,124	289,462,620	251,503,418	249,373,546	99
	Development	133,303,750	143,549,414	90,621,804	82,514,931	91
	Total	389,004,874	433,012,034	342,125,222	331,888,477	97
Education , Skills Training and Social Welfare	Recurrent	309,916,439	360,333,298	337,767,096	335,645,491	99
	Development	158,543,298	233,981,523	169,774,457	159,869,291	94
	Total	468,459,737	594,314,821	507,541,553	495,514,782	98
Energy, Lands,	Recurrent	120,506,865	160,182,216	143,937,316	139,569,416	97
Housing and Urban Development.	Development	1,152,661,700	1,136,523,345	1,071,851,293	802,010,746	75
	Total	1,273,168,565	1,296,705,561	1,215,788,609	941,580,162	77
County Administration And Decentralized Units.	Recurrent	395,605,149	312,323,642	285,975,374	283,415,806	99
	Development	88,100,000	67,378,025	36,047,513	32,794,599	91
	Total	483,705,149	379,701,667	322,022,887	316,210,405	98
Total Recurren		7,850,709,246	8,105,621,418	8,634,977,192	8,550,381,962	99
Total Development		4,971,551,530	5,385,748,743	4,694,673,969	3,193,672,206	68
County Total		12,822,260,776	13,491,370,161	13,329,651,161	11,744,054,168	88

Total development for 2019/2020 was Ksh. 3,193,672,206 with an absorption rate of 68 per cent. County Total budget was Ksh. 11, 744, 054, 168 giving an absorption rate of 88 per cent.

Hon. Speaker, the committee made some observations and recommendations as follows:

1. The document does not show the specific revenue streams and the much they performed in the year under review. The Committee recommends that this information be provided to the Committee within 14 days after approval of this report by the House.
2. In the Year under review, all county entities achieved above 70 per cent in absorption of their development budget with an exception of Health and Emergency Services Department and the County Assembly at 39 per cent and 12 per cent respectively.

The Committee recommends that:

- a. The Departments should not budget and spent below average absorption as it implicates under-performance and budgeting of funds which are not required in that department.
 - b. The Executive should put measures in place to ensure Budget allocation runs concurrently with expenditure.
 - c. Further, any un-utilized money under development should be reintroduced during the subsequent supplementary budgets in development expenditure and not recurrent.
 - d. The Committee seeks to get a report from the Chief Officer Health and Emergency services as to why the Department underutilized its development budget allocation; within 14 days after approval of this report by the House.
3. During the year under review, the committee noted that the Executive implemented the recommendations of the Controller of Budget and the Committee by ensuring that recurrent expenditure for all the departments is not lumped in one department (Labor, Public Service and ICT).
 4. The total development Expenditure stood at Ksh. 3.19 billion against a target of Ksh. 4.69 billion. This translates to 24 per cent of the total County budget hence contravening the fiscal responsibility principles as set in Section 107(2)(b) of the Public Finance Management Act, which provides for a minimum of 30 per cent of the County's Budget for development expenditure. The Committee recommends that 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
 5. The actual recurrent expenditure was Ksh.8.55 billion representing 64.1 per cent of the total budget. 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 maximum of 35 per cent on personnel emoluments.
 6. The county targeted to collect Ksh. 2.21 billion in the financial year 2019/2020 to supplement revenues expected from the national government through equitable share and conditional grants the county reviewed its target to Ksh. 1.16billion in the fourth quarter of the financial year due to effects of COVID 19. This County has a high potential of achieving the targets set. The committee recommends that County Government:
 - a. Ensures strict enforcement measures to minimize loss of revenue.
 - b. Strengthens internal controls.
 - c. Automates all the channels of revenue collection.
 - d. Carries out County property valuation roll.

ACKNOWLEDGEMENT

The Budget and Appropriation 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 on County Budget Review and Outlook Paper, in this Hon. House for consideration and adoption. Thank you, Hon. Speaker

(Applause)

Hon. Deputy Speaker: Thank you very much, Hon. Dominic Ndambuki, chair Budget.

(Question proposed)

Hon. Members, you may contribute on the motion.

Hon. (Ms.) Ndeti: Thank you, Mr. Speaker. I just have one or two points to highlight; to say that I commend the committee on budget and resource allocation and wish to talk about the recurrent expenditure which to me looks quite high of Ksh. 8.5 Billion, with an absorption rate of 99 per cent while development is only Ksh.3.193 Billion with a low absorption rate of 68 per cent. We tend to be spending or putting more effort on spending money on salaries and other things and not doing development for our people. So that is an area that the Executive needs to improve on.

The other thing that I would like to talk about is the under-utilization of the budget allocation. It is sad and once people are given funds, they should ensure that there is proper planning with a timeline so that before we go to the next financial year at least whatever resources have been allocated to a certain department they are properly utilized.

I also wish to comment that we need to know the specific streams of our own source revenue. We cannot just be having one big figure that you cannot tell where the finances or the source. So it is very important that the Executive also looks into this. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Hon. Thomas Mutinda.

Hon. Mutinda: Thank you Mr. Speaker, I start by thanking the committee for the good job done, in which the committee I am privileged to serve, I do not want to blow our own trumpet but the report is very clear and speaking or reflection on what is happening. Mr. Speaker, there are areas of concern because when you see the budget we have Mr. Speaker, it is like the monies which come as equitable share is like is all of it is absorbed by recurrent budget and that is an area of concern where we should also try to minimize those levels because if we are having Ksh. 1.6 Billion as own source revenue and donor funding of Ksh. 2.9 Billion, then when you combine that information is like the budget for development we do not have some share in that equitable share in that money.

When you come again back and when you see you are talking of donor funding, the money for donor funding is for specific areas which might cover five or six wards and other wards remain without a share. When you come to percentage of implementation then, it goes to other wards, then it is a small percentage so I think it is an area of concern because you find the specific grant must be spent but for specific wards or specific areas. So now whatever share is a small figure.

Mr. Speaker, the other thing we should see is the area of personnel emoluments where it seems to be bypassing the required 35 per cent. That means any other percentage spending is eating at our development component which is the so purpose of why we are here. So Mr. Speaker, that should be checked so that we do not pay recurrent on development because sometimes I have seen the practice of the supplementary which comes to again turn funds from

development to recurrent. Although, I would wish to recommend and congratulate this House because it has been seeing that and also correcting it.

Mr. Speaker, there is also the area of revenue streams which should be checked because it should come to the Committee and to this House very clearly that this revenue stream was budgeted and it did not perform very well so that the concerned departments like our concerned committees like the Finance committee and all others can check and put effort to see that the budget performs better.

The other thing is on the valuation role. Mr. Speaker, I know you are aware that we budgeted for funds on valuation role which was supposed to go and improve on the site value rates and the area rates and that is another area where we can harness a lot of revenue so that our budget goes up. I think those are areas where the department should give reports to this House so that we can see the performance of our budget. Yes we budgeted this, we gave to this department, how is it helping back to improve our revenue.

The absorption rate to be checked and also we seem to be performing as performance contract where we are giving funds to this department for this purpose and at the end of the financial or fiscal year, we are able to see we gave money for 100 ECDE classrooms, have they been done? What were the challenges and that report Mr. Speaker, should be tabled to this House so that we can reflect on what we did and was the money perform the purpose it was intended for because these tax payers money and our electorates are watching to see that we deliver to their mandates.

Remember Mr. Speaker, remember our budget committee has been going round to each ward giving promises to people telling them to tell us what they want but at the end of the financial or fiscal year then you find you even fear to go back to the people to ask them the same question which you did not deliver in the previous budget. We might not have proper explanation to why we did not deliver so Mr. Speaker, I would request this House that we move fast and ensure that some answers are brought to this House so that we are able to have transparency to our people on the budget.

They are aware of the equitable share, they are aware of what they pay as taxes. They are aware of the conditional grants and they should see, it should be very clear that this is your money and this is what it did for you. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Thomas Mutinda. Hon. Robert Kisini.

Hon. Kisini: Thank you, Mr. Speaker, for also giving me this time to also air my views. I first want to commend and give credit to the committee for bringing this good report. Mr. Speaker, I want to say that first, as per the report, we have seen and we have heard that the money we expected as income from the equitable share, from our own source collection; all the money almost came is just a small balance of the grants which we expected, did not come.

So that is to say for that financial year, Mr. Speaker, we received over Ksh. 12 billion actually around Ksh. 13 billion. The problem is because we have received all that money on the expenditure side and the recurrent side, this money is not used well. For example, the money for development which we should be getting 30 per cent of the total collection we have not seen development being done across the board. Mr. Speaker, we wonder why because this money has come even we have been told January up to March there is a lot of collection from our own source collection because of the business permits. Mr. Speaker, it is a wonder why if we have

received as expected, why it goes vice versa to the expenditure side and more especially to the development side?

I want to echo the recommendation that this money which came and was put under one department that is labor and ICT be separated and we have been saying that let every department get its own money. Let us not put money in one basket in one department. So, Mr. Speaker, I wonder why this committee has been reporting that, has been recommending that; so it is a wonder.

The salaries are consuming most of our money against development. Mr. Speaker, once again we said that we should check and we should have a report of the valuation role. We should have a report to know if it is above the recommended target, the recommended percentage. Mr. Speaker that is an area where again and again we should ask our budget committee to check and to see what is eating what. Why do we have more employees? Why is money going to pay salaries instead of going to development? So, Mr. Speaker, that is also another area of concern.

I should say, as recommended by the committee, that the unused money for development should be re-budgeted again. Mr. Speaker, I want to support that and see to it that money which was for development on various development areas should be again re-introduced so that it can be used on the development. So Mr. Speaker, I want to applaud the committee for such good work. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you. Hon. Moffat Maitha.

Hon. Maitha: Thank you, Mr. Speaker. Mr. Speaker, I first want to congratulate the chairman Budget and Appropriations committee and the Members for a report done well which has been brought to this House. Mr. Speaker, my concern first of all goes to the department of health and emergency services. Mr. Speaker, when you look at the data given you will find that in this department much of the money was not utilized. Mr. Speaker, if you go to our hospitals and health centers you find they lack a lot of things including medicine whereas money pumped to this department has not been utilized.

If you go to Kimiti health center where I come from you find a skeleton of a Level IV hospital because it lacks almost every essential drugs while money which we have budgeted lies in this department. I commend the committee for saying that they are seeking from the Chief Officer a report of why money has not been utilized and it should come as asked by the committee, Mr. Chairman. Mr. Speaker, if you go and look at the county valuation roll, you wonder what is happening. You go to Mlolongo and those areas of Kinanie there are so many areas where land and property has not been valued and a lot of money can come from those places.

We are asking the department to make sure that they carry out the valuation roll so that we can get some other money which can help our county so that development can be ensured in our wards.

Mr. Speaker, go to our wards nothing has been done in the last financial year. It does not mean money for development has not been brought from the National Government; we are requesting the governor to kindly assist by providing money to the wards so that at least we have something to say like 'something has been done to our wards.'

Mr. Speaker, we have this Covid-19 pandemic and you go everywhere to our markets, our streets where we come from you will find a lot of people idling, sitting here and there without properly wearing the masks or without masks. We are requesting the County

Government, because we have given the department money for such endeavors, to make sure that they provide our electorate with protective materials so that this disease can be eradicated in our County. I thank you, Hon. Speaker, and I support.

Hon. Deputy Speaker: Thank you. Hon. Annastaciah.

Hon. (Ms.) Mutuku: Thank you, Hon. Speaker, for granting me this chance. First I want to appreciate the chairman of Budget Committee for the good report; it is very comprehensive. Hon. Speaker, I think my fellow Hon. Members have talked and I want to appreciate their proposal. What I can urge the executive because many have said I do not want to repeat; let the budget everything we do we budget. Every department to use their budget only but this kind of diverting the budget from one department to another actually it has failed us because you see a department like water department, in Kibauni nothing has been done by that department.

I would like to urge the executive to move faster because time is not on our side. I think this is our final year and we want to see them on the ground doing something. If they are wishing us to come back again 2022, I request the County Government to move faster every department we want to see them working seriously.

Hon. Speaker, I want also to say that as now we want to....at the time we are on the ground we want to see some department like health because there is a very crucial issue like CHVs. Up to now they have not been paid and you know those people are on the ground every day and when we meet them they are crying asking us about their allowances and actually as a leader I feel bad. I would like to see those people being given their allowances I think that stipend is their right to get and the budget is there.

(Applause)

Kindly, I urge our Governor and his government to see how they can give the CHVs their allowances. Hon. Speaker, I want to say through the committee of Budget and the able Chair they have done a great and comprehensive report and I support the report. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, may the mover of the motion respond. Please Hon. Chairman.

Hon. Ndambuki: Thank you, Hon. Speaker. I want to thank the entire House for the support to the motion that the Budget and Appropriations committee brought before the House. Hon Speaker, many recommendations that the committee has put across touch on trying to make the budget of the county government more effective in serving our people. Hon. Speaker, I will not over emphasize on the need to have departments budget for monies that they project they are going to spend especially on development.

We have noted a trend where money is budgeted for under development expenditure and it is underutilized and that money is moved to recurrent expenditure in the following financial year. This is a behavior that the committee is asking that it should stop henceforth. We need to see much of development money going to development expenditure and we need to see the county government of Machakos putting a lot of emphasis on development.

We need to see Hon. Speaker, we are going to turn tables and instead of us spending Ksh. 7 billion on recurrent and Ksh. 3 billion on development, it would be our joy to see the tables turn or flip and see a situation where Ksh. 7 billion is being spend on development and Ksh. 3 billion on recurrent and that would be the joy of this House and the people of Machakos. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you very much, Hon. Chair.

(Question put and agreed to)

Hon. Members, I just want to make one comment before we move on to the next motion now that the House has decided. It is that the issues that have been raised here need to be followed up quickly; the issues which have been raised by Hon. Annastaciah, by the Chair and by each and every Hon. Member who has contributed today. It is disheartening to see that whereas we are supposed to spend at least 30 per cent of our budget on development, that 30 per cent is only being achieved by reflecting on conditional grants.

Funds which have been brought here for conditional, for specific projects is what they use to meet their 30 per cent and the equitable share and the own revenue which we are also supposed to get 30 per cent from, ends up all being used under recurrent expenditure. It is actually amazing that a budget is prepared and presented to the county executive committee and approved and brought before this House and the House goes through the budget and approves it also, after consultation with the people, but unfortunately what has been approved for each department, in a normal running of any entity, once a budget has been approved, the responsibility of implementation of that is vested on the Chief Officer and the CECM for that department.

That is how normal companies, normal entities operate. Once a budget is approved then the sole responsibility of implementation is vested on the CECM and the Chief Officer to implement the projects which they advocated for, but unfortunately in our county, as you have heard before and heard confessions from the same Chief Officers and CECMs, that might not be the case.

We will do the budget and only two or three people would decide what gets done where. Which beats the logic why we have the county executive committee in the first place because if we are going to pass a budget here and allocate money in water and health and here and there and two people go and sit down and say now remove all these money and construct a major road here or divert it from where it is supposed to be going and take it elsewhere, then what we do here is academic.

I will be urging the Budget committee, going forward, to ensure the monitoring of the implementation of the budget is done with each respective CECM and the Chief Officer in their department and valid reasons given. You will be surprised to hear, I have heard from several Chief Officers that they cannot do a single project unless they have called somebody up there.

You cannot tender for a project in your department with an approved budget line before you call somebody else who is not inn your department, who is not a CECM, who is not a Chief Officer, but that is the person who has to authorize you to tell you go and do that.....(*inaudible*) used in doing instead of involving so many other people but at the end of the day its only two people who will sit down somewhere three people at most and decide on

where the revenues of this county are going to go.

(Applause)

The more reason, Hon. Members, why we had to pass BBI and why I will be urging you to go down to the grassroots and ensure that our people understand why we need BBI. That Constitutional document will allow us to at least have some form of autonomy in terms of development in the respective areas without depending on two people sitting somewhere deciding on whether they are going to come and do development for your people. You were elected by thousands of people, lined up yet their wishes are all ignored and the wishes of only two people prevail. BBI will stop that let us fight for BBI.

On Valuation Roll, how long have we talked about it? It is a document which once done would improve tremendously would even increase the revenues, double the own revenues collection and we have spoken about it since 2018 up to now no valuation roll has been done. Why? Vested interests. So, again I will be requesting the Budget committee to just ensure that the recommendation made by this report on the Valuation Roll is done and I am very sure if we follow these things, we are going to be well.

The Budget committee approved for Ksh. 84 million for CHVs to be paid, we approved it, it is in the budget, why have they not been paid? This is a challenge to the Chairman Budget Committee and the Chairman Health Committee to ensure that that gets done because they are suffering. I also come from a ward and I know they are suffering very much; they have only been given Ksh. 600 (??) from a budget of Ksh. 84 million. It is amazing.

PROCEDURAL MOTION

ADJOURNMENT TO ALLOW COMMITTEES AND MEMBERS TO DISCUSS THE BILLS BEFORE THE HOUSE

Hon. Deputy Speaker: Hon. Members, under this Order, we have one motion which is going to be moved by the Hon. Dominic Ndambuki on behalf of the majority and minority leader who are both not present in the House today. Hon. Dominic.

Hon. Ndambuki: Thank you, Hon. Speaker.
On behalf of the Majority Leader and the Minority leader, I am going to move this procedural motion.

Hon. Speaker, that aware the Assembly in its Fifth Session commenced its business on 9th February, 2021;

Further aware that since then the Assembly has transacted critical business including the adoption of the Constitutional (Amendment Bill) 2020 and Departmental progress report for the Department of Agriculture for FY 2019/2020;

Informed that the Constitution of Kenya bestows the Assembly with the role of Legislation;

Aware that the Assembly has so far received several Bills for consideration such as the Machakos County Climate Change Bill, 2020 among others;

Hon. Speaker, I wish to move the motion that this House adjourns its afternoon sitting to resume on 2nd March, 2021 at 10.00 a.m. to allow Committees and Members to discuss the Bills before the House.

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

Hon. Deputy Speaker: Hon. Angela Munyasya.

Hon. (Ms.) Munyasya: Thank you, Hon. Speaker. I stand to second the Motion.

Hon. Deputy Speaker: This being a procedural motion, Hon. Members, is there any member who would like to commend on it before.....because I am not going to put the question. The issue here is that we are moving with the word that the Hon. Member has said and he has been seconded so maybe, let me just propose the question.

(Question proposed)

Do we have any Member who wants to commend after the proposal of the question? Any Member on the outside chamber who wants to commend on this please? I think they don't want to commend on anything that means everyone is happy.

(Question put and agreed to)

Thank you very much, Hon. Members. This has been necessitated for us to review the Bills at hand so that we can look at them more effectively come next week.

ADJOURNMENT

Hon. Deputy Speaker: The House stands adjourned to resume again on Tuesday the 2nd March, 2021 at 10 am. Enjoy your day.

The House rose at 11.14 a.m.