

**REPUBLIC OF KENYA**  
**MACHAKOS COUNTY ASSEMBLY**

**OFFICIAL REPORT**

**Wednesday, 8<sup>th</sup> May, 2019**

The House met at 10.23 a.m.

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

**PRAYERS**

**PAPER LAID**  
**STATUS OF IKALAASA DAM**

**Hon. Deputy Speaker:** Hon. Members, there is one Paper to be laid by Hon. Robert Kisini or his appointee; I can see the vice chairperson there. Hon. Koki.

**Hon. (Ms.) C. Koki:** Mr. Speaker, on behalf of the chairman Environment Committee, Hon. Kisini, I beg to lay the following Paper on the Table of the House today, Wednesday, the 8th day of May, 2019; the report of Environment, Lands, Energy and Natural Resources Committee of the Second Assembly on status of Mumbuni/Ikalaasa dam in Kibauni Ward. Thank you, Mr. Speaker.

**Hon. Deputy Speaker:** Thank you Hon. Koki for laying that Paper.

**NOTICE OF MOTION**  
**STATUS OF IKALAASA DAM**

**Hon. Deputy Speaker:** Hon. Members, again we have one notice of motion to be transacted by Hon. Koki on behalf of Hon. Kisini.

**Hon. (Ms.) C. Koki:** Thank you, Mr. Speaker.

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

Further, aware that dams generally serve the primary purpose of retaining and preventing water flow into specific land regions;

Also noting that dams prevent flooding and also provide water for domestic, industry and irrigation purposes;

Acknowledging that Mumbuni/Ikalaasa dam has a capacity to emit huge quantities of water which needs to be fully utilized for the benefit of the residents and the environment;

Hon. Speaker, I wish to give notice of the motion that this Hon. House discusses and approves the report of Environment, Lands, Energy and Natural Resources Committee of the Second Assembly on Status of Mumbuni/Ikalaasa dam in Kibauni Ward.

Thank you, Mr. Speaker.

**Hon. Deputy Speaker:** Thank you Hon. Koki for that notice of motion

### MOTION

FINANCIAL STATEMENT OF THE COUNTY GOVERNMENT OF MACHAKOS FOR 2016/2017

**Hon. Deputy Speaker:** Hon. Members, we have one motion to be transacted by Hon. Stephen Mwanthi, chairperson finance and revenue collection committee.

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

Hon. Speaker, that aware that section 166 of the Public Finance Management (PFM) Act requires every accounting officer of a County Government entity to prepare a report for each quarter of a financial year in respect of the entity and submit the report to County Treasury; Aware that the County Treasury should consolidate the quarterly reports and submit them to the County Assembly not later than a month after the end of the quarter;

Further aware that the County Treasury submitted a consolidated report of Income and Expenditure for the financial year 2016/2017 to the Assembly for consideration;

Noting that the County Assembly Standing Orders defines the mandate of the Finance and Revenue Collection Committee to include all matters relating to the management of county public finance and revenue collection;

Aware that the committee analyzed the report and submitted by the Department of Finance and Revenue Management and made recommendations;

Hon. Speaker, I wish to move the motion that this Hon. House discusses and approves the Report of Finance and Revenue Collection Committee on Financial Statement of the County Government of Machakos for the Financial Year 2016/2017.

I call upon Hon. Justus Kiteng'u to second the motion.

**Hon. Kiteng'u:** Thank you, Hon. Speaker. I second the motion. Thank you.

**Hon. Deputy Speaker:** Thank you, Hon. Kiteng'u. Hon. Stephen you may continue with the report.

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

### INTRODUCTION

Hon. Speaker, Section 166 of the Public Finance Management (PFM) Act requires that every accounting officer of a County Government entity to prepare a report for each quarter of a financial year in respect of the entity and submit the report to County Treasury not later than fifteen days after the end of the quarter. The County Treasury shall consolidate the quarterly reports and submit them to the County Assembly not later than a month after the end of the quarter.

Hon. Speaker, the County Treasury submitted the Financial Statement of the County Government of Machakos for the year ended 30th June, 2017 as per PFM Act section 166 (2), (3) and (4) on 15th December, 2017. The statement was submitted five months late and at a time when the House was preparing to go on recess.

#### *Mandate of the Committee*

Hon. Speaker, the Finance and Revenue Collection Committee is established pursuant to the County Assembly of Machakos Standing Orders. Standing Order 190(5) defines the functions of a Sectoral Committee to include among others; to investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned department.

In addition, the Second Schedule of the County Assembly Standing Orders defines the mandate of the Finance and Revenue Collection Committee to include all matters relating to the management of County public finance and revenue collection.

#### *Committee Membership*

Hon. Speaker, the Finance and Revenue Collection Committee as currently constituted comprises of the following Hon. Members:

- |     |                       |                    |
|-----|-----------------------|--------------------|
| 1.  | Hon. Stephen Mwanthi  | - Chairperson      |
| 2.  | Hon. Josephat Kasyoka | - Vice Chairperson |
| 3.  | Hon. Betty Nzioki     | - Member           |
| 4.  | Hon. Brian Kisila     | “                  |
| 5.  | Hon. Caleb Mule       | “                  |
| 6.  | Hon. Fredrick Muthoka | “                  |
| 7.  | Hon. Justus Kitengu   | “                  |
| 8.  | Hon. Margaret Mwikali | “                  |
| 9.  | Hon. Moffat Maitha    | “                  |
| 10. | Hon. Phoebe Koki      | “                  |
| 11. | Hon. Grace Mutwiwa    | “                  |
| 12. | Hon. Thomas Mutinda   | “                  |
| 13. | Hon. Hellen Ndeti     | “                  |

#### *Acknowledgement*

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

<b>COUNTY OWN GENERATED RECEIPTS</b>					
<b>S.N</b>	<b>REVENUE SOURCE</b>	<b>TOTALS (Ksh)</b>		<b>DIFFERENCE</b>	<b>% Increase/ Decrease</b>
		<b>2016 – 2017</b>	<b>2015 -2016</b>	<b>Increase/ (Decrease)</b>	
1	Interest Received	76,380.00	328,644.00	(252,264.00)	-76.76
2	Rents	39,198,392.00	2,324,356.00	36,874,036.00	1586.42
3	Other Property Income		652,150.00		
4	Receipts from administrative fees & charges		501,000.00		
5	Fines Penalties & Forfeitures	6,546,259.00	13,773,967.00	(7,227,708.00)	-52.47
6	Other Receipts not classified Elsewhere	36,403,314.00	3,144,893.00	33,258,421.00	1057.54
7	Business Permits	170,934,785.00	198,094,256.00	(27,159,471.00)	-13.71
8	Cess	6,928,412.00	10,173,681.00	(3,245,269.00)	-31.90
9	Plot rents	172,631,872.00	17,366,173.00	155,265,699.00	894.07
10	Other local levies	50,038,032.00	66,062,377.00	(16,024,345.00)	-24.26
11	Administrative Services Fees	2,107,214.00			
12	Various fees	56,919.00	49,205,350.00	(49,148,431.00)	-99.88
13	Council's Natural Resources Exploitation	319,176,496.00	227,049,696.00	92,126,800.00	40.58
14	Lease/ Rental of Council's Infrastructure Assets		176,939,043.00		
15	Other Miscellaneous Revenue	7,942,994.00	1,232,999.00	6,709,995.00	544.20
16	Market/ trade center fee	44,321,901.00	47,829,717.00	(3,507,816.00)	-7.33
17	Vehicle packing fees	79,151,964.00	92,343,176.00	(13,191,212.00)	-14.28
18	Housing				21.65

**Disclaimer:** The electronic version of the Official Hansard Report is for information purposes only. A certified version of this Report can be obtained from the Hansard Editor, Machakos County Assembly.

		199,972,525.00	164,386,870.00	35,585,655.00	
19	Social premises use charges		3,285,545.00		
20	Public health facilities operations	91,408,806.00	30,723,038.00	60,685,768.00	197.53
21	Environment & Conservancy	13,107,496.00	8,443,206.00	4,664,290.00	55.24
22	Slaughter Houses administration	5,530,222.00	7,125,525.00	(1,595,303.00)	-22.39
23	Water supply administration		695,288.00		
24	External services fees	13,770,961.00			
	<b>Total</b>	<b>1,259,304,944.00</b>	<b>1,121,680,950.00</b>	<b>137,623,994.00</b>	<b>12.27</b>

Hon. Speaker, if you allow me, I think we will not read No. 2 and we can go straight to No. 3.

**Hon. Deputy Speaker:** No. 2, Hon. Members, if you have the online report, it is there and No. 2 is the legislative framework; you can read so that you can concentrate on the key aspects of the report so go ahead.

**Hon. Mwanthi:** Thank you, Mr. Speaker.

#### *FINANCIAL STATEMENT OF THE COUNTY FOR FY 2016/2017*

Hon. Speaker, the Committee discussed the report on 2nd to 5th May, 2018 in Nairobi. The Financial report comprised two parts namely receipts and payments. The approved budget for 2016/17 was Ksh. 10.87 billion comprising of Ksh. 7,539,572,769.00 as recurrent expenditure and Ksh. 3,336,427,232.00 as development expenditure. The budget was to be financed by Ksh. 8.57 billion from the national government and Ksh. 2.3 Billion from local sources.

#### *Revenue Analysis*

Hon. Speaker, the actual receipts during the financial year were as reported in table 3.1 below:

*Table 3.1 Total Receipts by the County Government*

RECEIPTS	AMOUNT (KSH)
Exchequer releases	7,303,463,454.00
Proceeds from Domestic and foreign grant	378,667,919.00
Transfers from other Government entities	388,914,795.00
Returned CRF Issues	339,888,586.00

County Own Generated Receipts (Local revenue)	1,259,304,944.00
Total Revenue	<u>9,670,239,698.00</u>

Hon. Speaker the receipts received from national government amounted to Ksh. 8,410,934,754.00 while local revenue was Ksh. 1,259,304,944.00 giving a total of Ksh. 9,670,239,698.00. The County did not receive Ksh. 159,065,246.00 from the National treasury while it did not collect Ksh. 1,100,239,698.00 from its local revenue sources leading to a total budget deficit of Ksh. 1,199,760,302.00

Further analysis of local revenues in comparison with the previous financial year of 2015/16 is show in table 2.2 below:

*Table 3.2 Comparison of Local Revenue Collection between FY 2015/16 and FY 2016/17*

Hon. Speaker, analysis of the above tabulation of local revenue for 2015/16 and 2016/17 revealed the following information:

1. Local revenue registered an overall growth rate of 12.27% from Ksh. 1.12 billion in 2015/16 to Ksh. 1.26 billion in 2016/17. However, this collection is much lower to the revenue collection registered in the 2014/15 of Ksh. 1.37 billion.
2. Naming of the revenue sources had been changed and thus it was difficult to trace the trend of each. Despite this, Business Permits; Cess; and Market/ trade centre fees have recorded a declining trend since the 2014/15 as shown in table 3.3

*Table 3.3: Tabulation of selected revenues that have declined since 2014*

	Revenue Source	2014/15 (Ksh)	2015/16 (Ksh)	2016/17 (Ksh)	% Decline since 2014
(a)	Business Permits;	198,978,358	198,094,256.00	170,934,785.00	14.09%
(b)	Cess	31,319,798.00	10,173,681.00	6,928,412.00	77.89%
(c)	Market/Trade center fee	56,724,663.00	47,829,717.10	44,321,901.00	21.86%

3. There are a number of revenue sources that recorded a tremendous growth over the reporting period. These include: Rents (1586.42%); other receipts not classified elsewhere (1057.54%); Plot rents (894.07%); Public Health facilities operations (197.53%) and Council's Natural resources Exploitation (40.58%).

Hon. Speaker, the Committee sought clarification from the Department of Finance and Revenue Collection on total budget deficit, drop in revenue collection, change in naming revenue sources and revenues that had tremendous increase and the department responded as highlighted below.

#### *Chief Officer's Responses on Local Revenue Effects of budget deficit due to less funding*

The total funds received by the County were Ksh. 9.67 billion against a budget of Ksh. 10.87 billion leading to a budget deficit of Ksh. 1.2 billion. The Department responded that the target of Ksh. 10.87 billion was not realized because the County own generated revenue underperformed to the tune of Ksh. 1 billion or by 45%. Reduction in local collections affected

development budget meaning that most of the development projects earmarked in that financial year were not implemented.

*Decrease in Revenue Collection*

- (i) The Committee requested the Department of Finance and Revenue Collection to provide explanation on drop in revenue collection. The Department responded that local revenue collection dropped mainly due to challenges in enforcing revenue collection as a result of litigation by the business community.
- (ii) The Committee also sought to find out whether the Machakos County Revenue Administration Act, 2015 whose objective was to streamline and aid in revenue collection had been implemented and the Department responded that it had implemented the Act and created a fully operational Directorate of Revenue Management headed by a Director. The Director has since left the County Government for National Government and another officer assigned to perform his duties.

*Change in naming revenue sources*

- (i) The Department responded that the Public Sector Accounting Standards Board is responsible for developing a financial statements reporting template so as to guide County Governments in preparation and presentation of financial statements. It is in these templates that the board classifies and names revenue sources. The County Governments are therefore bound to comply with the templates so as to enable the National Treasury consolidate the financial statements. This requirement therefore led to re- classification of the local revenue so as to suit the template requirement for the purposes of preparing the final accounts.
- (ii) The Committee sought to know what composed the following revenue sources and table 3.4 provides responses from the Department.

*Table 3.4: Revenue Source Name and its Composition*

	<b>Revenue Source Name</b>	<b>Composition</b>
a.	Interest received	Interest/penalties on stall rent
b.	Other property	House loan repayment
c.	Other receipts not classified elsewhere	Salary refunds/ salary advance, sign board and advertising fee, tourism
d.	Other local levies	Liquor, tourism, weights and measures, tender accounts
e.	Various fees	Sign board and advertising fee, firefighting and ambulance management unit
f.	Administration service fees	Social Services & Sports Management Unit
g.	Council's Natural Resources Exploitation	Sand and Quarry cess
h.	Lease/ Rental council's Infrastructure assets	Land rates and debt clearance certificates
i.	Other miscellaneous revenues	Salary Refunds/ salary advance, House loan repayment, procurement unit, water sales

j.	External services fees	Firefighting and ambulance management unit
k.	Housing	Building plan approval

- (iii) The Committee was concerned why some revenue sources appeared in more than one category. These include signboard and advertising fee in Other receipts not classified elsewhere and in Various fees; Firefighting and ambulance management unit in Various fees and in External services fees; House loan repayment in *Other property income* and *Other miscellaneous revenues*; Tender accounts/ procurement unit in *Other local levies* and *Other miscellaneous revenue*; and tourism in *Other local levies* and *Other receipts not classified elsewhere* among others.
- (iv) This mix up in a financial statement raises the question on accuracy of the statement and information being provided.

#### *Tremendous increase in some revenue sources*

The Committee observed a significant increase in revenue collection in the following sources and requested the Department to provide details on how it managed to increase such revenues so that the same measures can be employed on those that had persistent decline. The following were the responses:

##### (i) *Rent*

Rent had increased by 1586.42 % from Ksh. 2,324,356.00 to Ksh. 39,198,392.00 and the Department responded that the County had conducted an intensive enforcement aiming at clearing rent arrears hence the increase.

##### (ii) *Other receipts not classified elsewhere*

Revenue under this category had increased by 1057.54 % from Ksh. 3,144,893.00 to Ksh. 36,403,314.00. The Department responded that there was re-classification whereby in 2015/16 it included salary advance while in 2016/17 it included sign board and advertisement fee and tourism. *On referring to the 2015/16 financial statement, the Committee observed that each of the revenues mentioned was reported individually thus this response was inconsistent.* In 2015/16, Sign board and advertising fee had collected Ksh. 35,013,041.00; Tourism Ksh. 2,593,220.00 and Salary refunds/ salary advance Ksh. 3,144,893.00.

#### *Expenditure Analysis*

Hon. Speaker, the County had budgeted to spend Ksh. 10,876,000,001.00 which comprised of Ksh. 7,539,572,769.00 (69.32%) of recurrent expenditure and Ksh. 3,336,427,232.00 (30.6%). The actual total expenditure for the FY 2016/17 amounted to Ksh. 9,475,342,055 which represented an increase of 13.77% over the actual total expenditure of FY 2015/16 of Ksh. 8,328,653,880.25.

The general analysis of expenditure is as reported in table 3.5 below:

*Table 3.5 Total Expenditure by County Government in FY 2016/17*

	<b>Payment/ Expenditure</b>	<b>2016 - 2017 (Ksh)</b>	<b>% of Expenditure</b>
	Compensation of employees	4,956,658,129.00	51.26
	Use of goods and services	1,083,013,273.00	11.20
	Transfers to other Government units		



		1,691,542,047.00	17.49
	Social security Benefits	147,209,336.00	1.52
	Acquisition of Assets	1,588,819,132.00	16.43
	Other payments	8,100,138.00	0.08
	<b>Total payments/ Expenditure</b>	<b>9,475,342,055.00</b>	<b>8,328,653,880.25</b>
	unspent funds	194,897,643.00	

Hon. Speaker, analysis of table 3.5 on the overall expenditure for the County for 2016/17 revealed the following information:

1. That compensation of employees which stood at 51.26% was way above the set limit of 35% provided for in regulation 25 of the Public Finance Management Regulations. Expenditure on compensation of employees increased by 35.14% that is by Ksh. 1,288,921,150.00. The Department explained that this was due to salary increment of health workers and health officers' allowances of Ksh. 156 million, development project wages of Ksh. 377 million for Department of roads, regular salary annual increment for all County employees and civil servants medical scheme through NHIF. In addition, a big number of employees joined pension scheme during the year.
2. That development expenditure (Acquisition of Assets) of Ksh. 1,588,819,132.00 translating to an expenditure of 16.43% which was far much lower than the 30% level provided under section 107 (2) (a) of the PFM Act. In addition, this figure was lower than the Ksh. 2,101,377,237.00 spent in 2015/2016 despite the overall budget increasing by 13.77% or by Ksh. 1,146,688,174.75.
3. That the County did not spend Ksh. 194,897,643.00 and they were returned to the County Revenue Fund (CRF) Account at the close of the Financial Year.

Hon. Speaker, the Committee sought explanation on a number of expenditure items and the Department filed responses as highlighted below:

*Chief Officer's Responses on Expenditure*

*Decline in Development Expenditure*

Development expenditure declined from Ksh. 2,101,377,237.00 spent in 2015/16 to Ksh. 1,588,819,132.00 in 2016/17 and the Department attributed this to failure to hit the target for local revenue collection.

*DANIDA and Level 5 Hospital grants*

The County received grants of Ksh. 13,350,000 and Ksh. 365,317,919 for Level 5 Hospital from DANIDA and the National Government respectively. The Committee requested for the programmes which were undertaken with these funds since services at Machakos Level V Hospital have been wanting. The Department responded that the Hospital maintained normal

standards for a level 5 hospital as set by the Ministry of Health and Medical Practitioners and Dentists Board as an internship center for Medical Doctors. This meant that the grants were generally allocated to the Department of Health without specific programmes.

The Committee observed that this was an avenue of misappropriating resources for Health facilities and that was why there were frequent complaints/unrest in Level V Hospital and other health facilities.

#### *Pending Bills*

The Committee observed that the financial statement did not provide details of pending bills. The Committee requested for details and was provided with a conservative figure of pending bills as at 30<sup>th</sup> June, 2018 of Ksh. 889,665,422.56 comprising Ksh 126,753,937.65 as recurrent and Ksh. 762,911,484.91 development. On examining the details of the pending bills, the Committee noted that some of the pending bills date back to 2013 and also that there were several others that were not included in the list. This was observed from the list of cases it was handling.

#### *(a) Outstanding Imprest*

The financial statement revealed that outstanding imprests were Ksh. 36,896,495.00.

### *COMMITTEE OBSERVATIONS AND RECOMMENDATIONS OBSERVATIONS*

Hon. Speaker, the Committee made the following observations from the financial statement of 2016/2017:

- (i) That the Department had failed to meet its revenue target since the onset of devolution. The effect of this was that the County was making a deficit budget. The net effect was development projects suffered the most and very few projects were implemented across the County. The other effect of missed targets was that this had led to accumulation of pending bills which were over Ksh. 889 million as revealed by the Department.  
In addition, the Department attributes drop in revenue collection to difficulties in enforcement due to litigation by the business community yet it attributes increase in some revenue sources such as Councils natural resources (sand and cess) and rent to intensive enforcement carried out. The department did not provide the case (petition) it cited as litigation.
- (ii) There has been a change in the naming of the revenue sources. The explanations provided were not adequate and were inaccurate since one revenue stream could be classified in more than one source like tourism, sign board and advertising, firefighting and ambulance services, salary advance. Land rates were reported to be part of lease/rental of council's infrastructure assets and also being shown to have contributed to increase in plot rent revenue. The Department did not provide the template that it was given by the National Government thus the Committee could not ascertain the correctness of the explanation.
- (iii) The Financial statement contained errors on the amount spent on the compensation of employees and acquisition of assess. The actual figure on computation the data provided gave expenditure on compensation of employees to be at Ksh. 4,956,658,129.00 while the Department stated it to be Ksh. 4,759,877,326.00 thus

- understating compensation of employees by Ksh. 196,780,803.00. Acquisition of assets was reported as Ksh. 1,788,819,132.00 and on computing using information provided the figure came to Ksh. 1,588,819,132.00 thus overstating it by Ksh. 200,000,000.00. The Department acknowledged that these errors had been corrected but was unable to furnish the Committee with the correct statement.
- (iv) The Department had on several occasions delayed submission of documents to the Committee. These details had been requested since May, 2018 and they were submitted in August, 2018. The Department has declined to provide the following: reports generated from IFMIS system, list of vehicles and other transport equipment purchased and cost of each, list of specialized plant, equipment and machinery and cost and list of buildings constructed. This is contrary to Article 183(3) of the Constitution of Kenya, 2010 which requires the County Executive Committee to provide full and regular reports on matters relating to the County to the Assembly.
  - (v) Expenditure on Compensation of employees has continued to rise year in year out reaching to a high of about 51% in 2016/17. This rising trend which is against the provisions of regulation 25 of the PFM Act coupled with declining local revenue resources is constricting development in the County. The actual development expenditure was about 16% and was lower than what is provided for under section 107(2)(b) of the PFM Act.
  - (vi) The Department was unable to account for the grants from National Government for Level V hospital as well as DANIDA grant stating that the money was given to the Hospital without specific programmes.
  - (vii) The Committee observed that the Department was not quite conversant with the Machakos County Revenue Administration Act, 2015. This coupled with failure to appoint a substantial Director may have led to drop in revenue collection.
  - (viii) That the County has pending bills of over Ksh. 762 million and some date back to 2013. The business persons who did business with the County have suffered great losses as a result of failure to be paid. The Committee noted that the list was not exhaustive as some of the contractors who had requested the Committee to intervene to be paid were not in the list. There was need to ensure all the pending bills of the County were documented and paid immediately.
  - (ix) In summary and reviewing the previous reports tabled by the Committee of Finance and Revenue Collection, the Department of Finance and Revenue Collection has continually under-performed in its responsibilities since 2014. The responsibilities observed include: developing and implementing financial and economic policies of the County coordination of the implementation of County budget; mobilizing resources for funding budgetary requirements and putting in place mechanisms to raise revenue and resources; and consolidating the annual appropriation accounts and other financial statements of the County Government in a format determined by Accounting Standards Board.

### *RECOMMENDATIONS*

Hon. Speaker, the Committee recommends that:

1. The Department of Finance and Revenue Collection should put in place proper mechanisms of raising revenue collection as per budget targets including but not

- limited to automation and partnering with other organizations such as Kenya Revenue Authority (KRA).
2. The Department of Finance and Revenue Collection should ensure that revenue names used in the Finance Act match what the Public Sector Accounting Standards require and Mpesa Paybill accounts.
  3. The Department of Finance and Revenue Collection should ensure full implementation of the Machakos County Revenue Administration Act, 2015 within two months of adoption of this report.
  4. The Department of Finance and Revenue Collection should provide the Assembly with a report on how it will manage wage bill to the levels prescribed in the regulations of the PFM Act with 30 days of adoption of this report.
  5. The Department should ensure that all the revenue collected was banked into a County Government account and swept to the County Revenue Fund.
  6. The Department of Finance and Economic Planning should work on a realistic budget with achievable target of local revenue as over ambitious revenue targets are affecting the development component of budget estimates.

#### *ACKNOWLEDGEMENT*

Hon. Speaker the Finance and Revenue Collection committee is grateful to the Office of the Speaker and that of the Clerk to the County Assembly for the support accorded during the committee sittings. I wish to express my appreciation to the Hon. Members of the Committee who sacrificed their time to participate in the meetings of the Committee and in preparation of this report.

Hon. Speaker, it is therefore my privilege, on behalf of the Finance and Revenue collection Committee, to table the Income and Expenditure Report in this Hon. House for consideration and adoption. Thank you, Mr. Speaker.

*(Applause)*

**Hon. Deputy Speaker:** Thank you, Hon. Steve Mwanthi for that report you have read in a spirited format.

*(Question proposed)*

Members, you can debate on the motion. Hon. Moses.

**Hon. Mitaa:** Thank you, Hon. Speaker. I take this opportunity to thank the finance committee under the chairmanship of Hon. Steven Mwanthi for a comprehensive report they have brought to the House. Mr. Speaker, the report is in black and white I think where there are short comings they have been highlighted very well with the recommendations on how to overcome these challenges, Mr. Speaker.

The trend somehow is not promising on issues related to revenue collection especially on the area of business permits; I have seen there is a decrease of 13.71, there is the area of cess there is a decrease of 31.9 and if you critically analyze issues Mr. Speaker, we should not be declining on matters to do with revenue collection. We need to be growing because every day, either a new business or an industry is coming up within our county, Mr. Speaker.

When you look at issues to do with the plot rates 2015-016 plot rents was Ksh. 17 million, 2016/2017 it was Ksh. 172 million; Mr. Speaker, my own understanding is that these plots most of them are commercial and anything commercial attracts either a permit or some sort of income to the County so when you increase by 894 percent, the same thing is supposed to translate somewhere as an increment. Mr. Speaker, on Monday this week, my committee of agriculture visited Athi River slaughterhouse and what we observed there is that so much of our revenue is actually being shared amongst people on the ground.

Mr. Speaker, after interrogating the stakeholders of that facility, the people who slaughter the camels, sheep or cows, the revenue raised by that facility alone is actually more than what is indicated here and that was a factual finding, Mr. Speaker. Camels alone in a year raised more than Ksh. 6 million so I am trying to assume how many slaughterhouses we have in Machakos and if camels alone in Athi River can raise Ksh. 6 million and here I am being told 2016/2017, the total amount raised from all slaughterhouses within Machakos County is Ksh. 5 million less than what just camels alone can raise.

Mr. Speaker, it leads to so many queries. So going forward Mr. Speaker, I believe we need to streamline our means of revenue collection. We need to narrow down and I urge my Hon. Colleagues we get to the ground because I believe either after a week or two weeks, visiting that facility again you will realize there is increment of revenue collection. So if we can visit these facilities because if we leave it to the executive or to the Governor, he might not reach every place.

So if we can also help the executive on streamlining such facilities I believe we will be going far. It is a fact that Machakos is a wealthy county. Let us see it in figures not by word. So, Mr. Speaker, I thank the committee and I urge my colleagues let us help where we can help. Let us rise to have these revenues increased so that Mr. Speaker, it can translate to development. Thank you, Mr. Speaker.

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

**Hon. Kalumu:** Thank you Mr. Speaker for granting me the chance to contribute on this report. First of all, I will start by thanking the committee for a very elaborate and comprehensive reporting on matters concerning collection of revenue in Machakos County. Going with history, Mr. Speaker, you know very well that Machakos or let us say before the County Government came in, Mavoko Municipal Council was I think number two or three in collection of revenue in Kenya and since inception of Counties, it is well said in this report that, the County has never met its target in terms of collection of revenue and that raises questions as to why that local Government which was leading those days is now tumbling and going down in collection of revenue. That Mr. Speaker speaks volumes.

Most of our revenue, according to the report, shows that we lack a lot of money which does not come straight to the County Revenue and that has been occasioned by poor collection measures. Some other Counties like Nairobi have called upon other parties to aid in collection of money like JamboPay. There are other Companies. If Machakos County needs to improve in collection of revenue, Mr. Speaker, we need to say the truth. That it is not that Machakos does not have revenue to be collected and to meet its target, it is just that, that money which is collected does not reach where it should or it is not zoned well and it not collected as it should be.

That is why all our budgetary allocations for development, if you go through the report, it will tell you that, the development budget all the time has been affected because any decline in collection of revenue affects development budget. To solve that problem Mr. Speaker, we need to wake up and call a spade a spade and say that, it is not that Machakos does not have enough revenue to fund this budget; it is there but I do not want to dwell on hearsay. I want to suggest that we change the means of collection of revenue and call upon those Companies which can help the County in collection in terms of collection of revenue.

Most of the employees in this County Mr. Speaker, are said to be revenue collectors and we can put that as a measure of trying to tame the growing wage bill by giving a third-party company to try and see how much it can collect in one Financial year and then we do a comparison between the years when the County started collecting revenue by itself.

Another thing Mr. Speaker is, always if you look at some of the reports here, they will tell you that some monies which were reported like for example the monies which were received or were given by development partners did not even do anything like that one from DANIDA. So, the measure in the way we are collecting revenue should also be transformed in the same way. We should see that if we have collected for example Ksh. 1 billion, we need to see development equal to the measure of the collected revenue because this County has not been doing so. We are given monies for some jobs to be done and that money is not there. So, what do we do? This House was put by the Constitution to be present and to oversight the Executive so that there is no misuse of resources.

If you look at Committee observations and recommendation No. 2, you find a mix-up; that there is a mix-up of naming of County Revenue sources and if you think down or you think about that one, you will not get an answer. Is it that those people who were naming those County revenue sources were not in sound mind or it was just a mere plan to mix-up things so that they can take advantage of that.

The Department also submitted some figures which differed. If you look at the report, I have seen somewhere where they have presented different figures that the Department reported this and the other one reported this. So, you find that there is also a mix-up. What are we doing in terms of prudent use and prudent reporting? If, for example, we have been here since we came to this House for about let us say two years and every one of you knows very well that we have been following very closely on what is happening on our budgets and those budgets are funded by the collected revenue and others which come from National Government but the prudent reporting of what is happening with our money is not there.\

How well do you expect they report well on how they collect the money? That is a source whereby money is coming into the County. Another one is output on how the money is being used and to the best of my knowledge, we always ask where this money is. Mr. Speaker, I will suggest that we do not dwell on historical reporting although accounting always depends on historical reporting on how money has been used. We need to develop another new mechanism of evaluation on following up and this hiding of documents by the Executive should be dealt with so that if money has been collected like for example Ksh. 1 million today, that report should be given or kept in the open so that everyone can see.

We have been requesting for IFMIS reports and how the money has been spent but we have never had any glance of IFMIS reports on how money is being used. How do we expect to get a good report on revenue collection if even the usage is not prudently reported? Pending bills, Mr. Speaker, as reported here is a thorn in the flesh. Since the inception of this County, most of the contractors who were given jobs by this County were not paid and it is here, very clear.

Some of the information, according to me, is not here because these pending bills have been growing year in, year out and it is not here. So, what are we doing as an Assembly to check whether we are following the steps of the First Assembly or we are developing our own ways of doing things? That is the main question that we should answer.

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

**Hon. Kiteng'u:** Thank you, Hon. Speaker. I would like us to go to page 8 where we have tabulation of selected revenues that have declined since 2014. Hon. Speaker, this House, the Committee of Finance, we have done some visits to quarries and some of the factories in our County and I must say that Hon. Speaker, the County Government revenue clerks have relaxed and they are not doing their best and that is why we have this problem of revenue declining. Hon. Speaker, if you look, since 2014, our revenue has been declining and Hon. Speaker, that is failure of both the County Assembly and the Executive.

Whoever is in charge, as this House, we must have a look and try to rectify because if we continue like that Hon. Speaker, we will not be able to meet our local revenue. If you go to No. 13 of the same report, there is No. 3---

**Hon. Deputy Speaker:** Page 13?

**Hon. Kiteng'u:** Page 13. We have a problem on the same report and I will read. 'The financial statement contained errors on the amount spent on the compensation of employees and acquisition of assets. The actual figure on computation data provided gave expenditure on compensation of employees to be at Ksh. 4,956,658,129 while the Department stated it to be Ksh. 4,759,877,326 thus understating compensation employees by Ksh. 196,780,803.

The acquisition of assets was reported as Ksh. 1,788,819,132 and on computing using the information provided; the figure came to Ksh. 1,588,819,132 thus overstating it by Ksh. 200 million. The Department acknowledged that, those errors had been corrected but was unable to furnish the Committee with the correct statement.'

Hon. Speaker, I am trying to bring to the House that, here we have Ksh. 200 million where the Executive cannot be able to account for the money. So we would wish as a House, this is our work to oversight where we have any problems and errors because if we have an amount like Ksh. 200 million we cannot be able to account, then Hon. Speaker, we have a problem.

Hon. Speaker, looking at first half, the total collection up to now is Ksh. 441 million and we are halfway; if you multiply by two Hon. Speaker, we will not be able even to reach a billion at the end of the year. So, it is the high time this Hon. House and the Executive we try to unite together and see where we are losing our revenue because I must say that, we are losing a lot of revenue because of the reluctance and I urge this Hon. House, not to relax and allow our revenue not to be counted in the name of we are having a handshake. This is our work and we must make sure that we oversight where necessary. Thank you, Hon. Speaker.

**Hon. Deputy Speaker:** Thank you, Hon. Justus. Hon. Thomas Mutinda.

**Hon. Mutinda:** Thank you, Mr. Speaker. I start by congratulating the Chairman of Finance and Revenue Collection Committee for good work done. Mr. Speaker, I think it is important that this House approves this report and I think this report tell you very clearly why we

are not able to have an itemized budget go through because if we are able to only perform 13.7 percent and the law requires that we deliver 30 percent of development component, then I think when we assume that we are going to collect more revenue and we are not able to collect that more revenue we require, I think Mr. Speaker, it gives us room that we perform on recurrent budget and also loose on development budget.

So, I think we should look for ways of improving the revenue sources and I think this is the high time we check on our site value rates, we do a valuation row again so that we may raise more revenue. Otherwise, if we are not going to do that then it is important that we get the real figures which awe are able to collect so that we do not give advantage of the recurrent budget and loose on the development component, Mr. Speaker. The other thing is on the---

**Hon. Deputy Speaker:** Point of Order by Hon. Betty.

**PROCEDURAL MOTION**  
EXTENSION OF SITTING TIME

**Hon. (Ms.) B. Nzioki:** Thank you, Mr. Speaker. I am standing on point of order under Standing Order 27 to request extension of time.

Hon. Speaker, that aware that, Standing Order 27(2), provides the Speaker shall interrupt business at 12.30 p.m. for the morning sittings;

Aware that Standing Order 27(3), provides that the House may resolve to extend its sitting times;

Aware that the Standing Order 27(4), requires Motion to extend sitting time to be moved at least thirty minutes before the time appointed for adjournment.

Hon. Speaker, I beg to move the Motion that the House resolves to extend its sitting time until the business is over.

Thank you, Hon. Speaker. I call upon Hon. Mitaa to second.

**Hon. Mitaa:** Thank you, Hon. Speaker. I second the motion by Hon. Betty.

**Hon. Deputy Speaker:** Thank you, Hon. Members. I think this is a procedural Motion just in case the Motion goes beyond 12.30 p.m. It does not mean that it will go beyond 12.30 but it is good to have the Motion in place. So, being procedural I believe it has been granted and I would like the Hon. Member who was on the ground to continue.

*(The House resumed business as per the Order Paper)*

**Hon. Mutinda:** Thank you, Mr. Speaker. This tells you why we are not able now to end this issue of pending bills because every year the pending bills seem to increase. So, Mr. Speaker, I think it is good we deal with the real figures so that we do not continue accumulating on pending bills and we also try to see how we can reduce the pending bills we have. It is important that when we ask for IFMIS balances we are given so that we deal with real issues and we reduce the problems which are facing us as a County.

So, I think Mr. Speaker, much as the recurrent budget seems to be the one which is taking a big percentage of this budget, it is important also to be noted that, even the statutory deductions for staff are not forwarded and when forwarded not all. You find either NHIF is forwarded or it



is paid when need arises. So, I think we should now be implementing our budgets fully and all revenues which come go to the intended purposes so that we may be seen by the electorates and the people we serve that we are doing something for them. So, Mr. Speaker, I think it is important that now as we wait for the coming budget, we see how everything can be tackled in the real issues not with a lot of assumptions.

The other thing, Mr. Speaker, there is the Finance Bill which is still in this Committee where you find our people do not get the charges clear. You find a very long sentence but the interpretation is just to mean wholesale business. So, there is need to come up with a commonly understandable language so that the people down there, the business men can understand what we are charging and also so that everything is commonly understood within the County. So, Mr. Speaker, it is good that we come up with a structure where the language we use here is understood by the people so that nobody takes advantage over the other.

Lastly is the way we enforce our laws. We seem to have two ways of enforcing laws where we sometimes find people are sued and taken to Court and there is this issue of confiscation. Mr. Speaker, it should come very clear which way we are going. Confiscation was done by local authorities. This is a Government. When we talk of Finance Bill, we do not have anywhere where confiscation of sewing machines or equipment is there. We only talk about law.

If somebody has not paid, let that person be taken to Court but the issue of someone going to business, the sewing machine is taken, he goes home, it stays with people for three weeks or a month, then I think we are going as if we are using the old constitution. We have this Constitution in place where we only do things within the legal framework. Thank you, Mr. Speaker.

**Hon. Deputy Speaker:** Thank you, Hon. Thomas. Hon. Hellen.

**Hon. (Ms.) Ndeti:** Thank you, Mr. Speaker. I would like to comment by first thanking the Committee where I am a Member for doing or compiling a very comprehensive report. Without having to repeat, I just would like to highlight on the pending bills, if you look at the pending bill it is coming close to Ksh. 800 and something million which is about a billion and even in the recommendations it seems like even the list of those who have not been paid is not up to date. This is a very worrying trend give the fact that, collection on revenue is also declining. So, I am not sure how the County will really ensure that whoever has delivered a service to this County has been paid.

The other thing I would like to comment on is, I take great exception on the Committee for not cooperating by releasing reports as required. I note that, reports coming from this Department were requested in May 2018 and they did not reach the Committee until August 2018. I think it is very important they also keep to timelines that are given so that the Committee can also have enough time to analyze and report to this House. Thank you, Mr. Speaker.

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

**Hon. Ndambuki:** Thank you Hon. Speaker for the opportunity to contribute to this Motion. Hon. Speaker, I wish to applaud the Committee on Finance for the good job that they have done of bringing this report to the Assembly and the report is very elaborate and Hon. Speaker, we are having glaring improprieties that have been depicted in the report and if we were

to adopt the recommendations by the Committee Hon. Speaker, then Machakos County Government would be headed in the right direction.

Hon. Speaker, I being the Chair, Budget Committee and having a pointer here where the Chief Officer says that the budget for that Financial year was not fully met due to lack of enough local revenue collection among other factors. Hon. Speaker, it shows that, there are many loopholes that are there on the part of local revenue collection and one thing that has been ailing Machakos County is where expenditure is done at the source of local revenue collection. That is one area where even the Controller of Budget has tried to point out in her quarterly reports and where as an Assembly we need to stamp our authority and ensure that this is corrected.

How do we correct it? The Finance Committee has given us a remedy where we need to enforce the Machakos County Revenue Administration Act of 2015 and in the Act Hon. Speaker, amongst other things, there is a recommendation that local revenue collection be automated. We want to ensure that people who handle money on behalf of the County Government do not come into contact with the money but where those people who seek services in the County Government pay to banks or to other entities that will hold the money on behalf of the County Government.

Hon. Speaker, by so doing we will be ensuring that we raise our local revenue collection. This is one factor that also hinders development. From the report, it is evident that development budget was not achieved to the fullest since local revenue collection was also not achieved. We also need to have realistic targets, as we seal all the loopholes, we also need to have realistic targets on local revenue collection and ensure that everything is accounted for.

Members who have spoken before me and I will quote Hon. Mitaa when he said that it does not add up where, for example, on that line up for abattoirs when we are being given a figure of Ksh. 5 million and a few shillings on top *vis-a-vis* what the Committee of Agriculture found on the ground when they visited Athi River where they were given a report that just one line for camels generate over Ksh. 6 million per year and the report that we are getting that, on slaughterhouses in one given year we are generating Ksh. 5 million. It beats basic logic to know that there is misreporting in these figures.

Mr. Speaker if this is corrected, coupled with the fact that Machakos has the biggest chunk of factories that are near Nairobi, then we could be talking about figures above Ksh. 3 billion on local revenue collection that will also push the monies that we allocate on development and that will have a trickle-down effect on our people and we will change Machakos and Hon. Speaker we are now talking of the Big 4 Agenda. We have one on industrialization that money could be used to open up industries in the rural areas of this County where we will now offer employment to our youths who are unemployed. Thank you, Hon. Speaker.

**Hon. Deputy Speaker:** Thank you, Hon. Titus Kaloki.

**Hon. Kaloki:** Thank you, Mr. Speaker. I want to say this and it is a very good report, it was well prepared by the committee and as a House we must get serious when it gets to the matters of revenue collection because if this trend of deficits and declines continues, then it means that we are actually doing oversight on and nothing is going to be happening in this county. I just want to come up with a suggestion that; one I want to say the whole problem lies in the department or the directorate of revenue collection. That is where the main problem is; the directorate of revenue collection.

*(Applause)*

Whoever is in charge and the team that is mandated to collecting revenues has been failing us. There is so much money in this county. The other day I came across a lorry full of sand and I asked them whether they have been given permission to sell sand in our area and they told me 'we paid a fine of Ksh. 100,000 and we are given a go ahead to continue selling sand' and I wondered where that law comes from. I called the director of revenue collection and he said 'no, once these people have been fined and they are caught a second time carrying sand, they should be fined again Ksh. 100,000 and I said this is a serious laxity in our departments.

What I am trying to say is this; for us to move forward as a County government, I would propose the committee on finance and revenue collection to propose and come up with a meeting with the revenue collection directorate and its director and come up with a program on how to manage revenue collection. They agree on timeline and timeframes with periodic reports; every month we will be having a meeting with the director and the team to review what has been collected and what has not been collected.

They need also to come up with a program on how to go round investigate and checking whether the revenues are actually being collected as agreed on that program. If that is not done then we need to get back in this House and summon that entire team before the committee of the entire House.

*(Applause)*

With this kind of deficits is a total shame; if we can talk of lack of enforcement yet they have a very big team of enforcement officers, I think something needs to be clarified here otherwise if we come up with a good program and we sit down this Directorate on revenue collection, come up with a timeframe and periodic reports and how they will be checked and reported back to the committee, I think we will be heading somewhere. Thank you very much, Mr. Speaker.

*(Applause)*

**Hon. Deputy Speaker:** Hon. King'ori

**Hon. King'ori:** Thank you, Mr. Speaker. I am happy to say this report is very good, very accurate but the truth of the matter is there are cartels in Machakos comprising of the directorate of revenue plus the enforcers of the same environment. Like in Mavoko, I was even taken to police station for asking why the people are not given receipts then I was told you can report to my senior who is somebody in Mavoko. I went there and my surprise, I was supposed to be taken to the cell for collecting revenue.

*(Laughter)*

I would like to say this; if you want to deal with revenue and to help this County to get revenue, we must have to change of guard in the revenue department and in the enforcement department and all these department should be investigated because what I am telling you Mr.

Speaker, I have experienced also that when they are collecting, they have two to three phones which they use with the paybill numbers with different numbers. Some even don't read Machakos County; they read individuals paybill numbers. Now, when you go to them and ask they will just give you the number for their seniors so that you can check with them why they are having three to four phones for paybill numbers.

**Hon. Munguti:** Point of information,

**Hon. Deputy Speaker:** Point of information. You want to inform the Hon. Member?

**Hon. Munguti:** Yes. I would like to inform the member that he was not supposed to collect revenue rather because there are those who are entitled to do so and that is why he was put in cell. Thank you, Mr. Speaker.

**Hon. Deputy Speaker:** Hon. King'ori, you may continue.

**Hon. King'ori:** Thank you, Mr. Speaker. I am happy to know that he is one of those who collect funds on behalf of the County because he knows very well, I was the one who was in police station not him.

*(Laughter)*

Unless he is one of the cartels I am talking about, then he should know that what I am talking is the truth and the truth shall set this County free.

**Hon. Deputy Speaker:** Hon. King'ori, can you finalize your submission please so that we can go to the next Member.

**Hon. King'ori:** Thank you, Mr. Speaker. I would like this County and this Assembly to act properly without favor because if we do that we are not helping this county; we should even resign if we have to be cowed because of money. That is why yesterday, we defeated justice but what I want to say is this, what we have to add on this recommendation we say it is very good but we should also add a recommendation that those who are there they should also be investigated and show cause why they should not be prosecuted for making losses in our County yet they are being paid. Thank you, Mr. Speaker.

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

**Hon. Kamitu:** Thank you, Hon. Speaker. I would stand to applaud the finance committee for a well done job and the good thing is that we normally say anything that is documented is documented as a reference and in regard and in relation to the report that is in front of this House, I would refer this Hon. House to page 8.3.2 where Hon. Speaker the committee did a job well bringing a tabulation that is comparing collection of revenue between 2015/2016 also there are some other figures on the same tabulation that the committee is also giving us where revenue declined.

It is also giving us some limelight where also the committee or the County had an increase in regard to revenue collection. So it is on that strength Hon. Speaker that, in future, the practice and the best practice that this committee and the House should continue identifying those areas that we were weak, those areas that we were strong so that we work out on our weaknesses and it is very possible because we have got the manpower like we are talking about the revenue collectors within the county.

We are talking about the County enforcement officers; these are the two teams which are supposed to be combined so that we may have a good end results, we may harvest and that is when I am talking about harvest where we may have an increase in the revenue collection.

My other observation Hon. Speaker, is that we should now engage as they have done the revenue and collection finance committee to be making some site visits. A good example that was given by Hon. Moses; they are talking of an area they visited that is one of the slaughterhouses in Athi River, So, if the committees can go out on site visits and in this case in combination with members of the Executive to see the areas that are failing, it will be good team work and that is the spirit.

So the spirit of our committee for finance I liked it on the document that I have said the report that is here in front of this House. So, we are not supposed to rest; we are supposed to move out as what the finance committee has done so that we fill or we close the gaps that we are declining and before I sit down there is also another very good observation another good move they made the finance committee. We have been hearing now in the media that business personnel in some various towns, when the Executive went out to check on those business areas or business people who are not paying the relevant licenses or cess, that was an indication that also the enforcement officers from the Executive and the revenue officers were not doing their work.

When they were directed, you could hear that the County Government had an increase within a month because they visited areas of people who were really doing some business and they were not paying and I remember very well our chair for finance was also in the media and they had a meeting whereby he is advising the electorate people who have got businesses should come out pay their cess and on that note I am also congratulating the finance committee that also our electorate should not be harassed.

So in that combination that is the team spirit that I want to see in Machakos and by so doing we shall work in a very good one spirit, one move and the revenue collection will be increased. Otherwise that is the move that is our way forward and my recommendation is that as a team we shall come out as winners. Thank you, Hon. Speaker.

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

**Hon. Maitha:** Thank you, Mr. Speaker. I only want to talk about those two issues. Mr. Speaker, if you look at page 8 on table 3.3 where we are talking of the decline of revenue, you wonder why in the financial year 2014/2015, there was a lot of money coming from cess, whereas in the year 2016/2017, there was little money collected. Mr. Speaker, I have observed those revenue officers for many times and I believe that these people are not paying the money to the County accounts.

Many of those people might be pocketing the money. Let us see or recommend that they be transferred; for those who are, for example in Mavoko and where there is the ballast, those

Clerks should not stay at one point for a very long time because when you leave them there they will devise ways of getting money for themselves. We should also recommend that lifestyle audit of those people starting from the directors should be done because you find all those people in bars almost every day and their salaries cannot allow them to be drinking daily; where do they get that money from?

*(Applause)*

They are all over the hotels and butcheries; they must be getting money from another source so we must investigate where these people are getting this money; there must be an audit. Again what Mheshimiwa King'ori said, there might be a cartel of the people in the headquarters directing those in the sites to collect money for themselves so those we must also try and investigate because those people are becoming fat and fat while the local Mwananchi is crying. When they are collecting the taxes, they bulldoze the Mwananchi and in fact if you check the market places where you come from, almost every shop have paid the tax required. Thank you, Mr. Speaker.

*(Applause)*

**Hon. Deputy Speaker:** Thank you very much Hon. Moffat for your passionate appeal on this. Hon. Members I now put the question.....can I call the mover of the motion to reply please.

**Hon. Mwanthi:** Thank you, Hon. Speaker. Let me also start by thanking members on the support they have given on that report and Mr. Speaker, I want to remind members that we all come from Machakos county. We recite here and we remain as Machakos residents possibly forever and what we want to do is we want to make sure this County changes. We need all of us to come together with some of these information that we are giving and see how best we can do to make sure we have maximum revenue in this county.

Mr. Speaker you will realize that we have several reports that have been tabled in this House and committees have time and again been reporting that some documents have not been given from the Executive and then you ask yourself; why and what is this that they are hiding? If you go to page 8 Mr. Speaker, of this report you will find that on table 3.4, some of the names that were given to that bill are quite funny. For example, you if go to number 8, you will find we were brought a report that was saying 'councils natural resources exploitation' and somebody want you to know what that is and on interrogation, you will just come to find that it meant sand and quarry cess. Just as simple as that but it has been baptized and given a very hard name that maybe you cannot realize or know what you are trying to see. You will also find something like housing only to mean it was building plan approval; if someone writes housing for you how will you know that's money meant for housing and approval.

Lease rental councils infrastructure assets; that is a name just meant to mean land rates and debt clearance certificates. You find there are funny things and sometimes this is where people do not understand each other because to me I might think now these officer are now the cartels that are being termed by Hon. members. So it is my kind request to the Executive, up to now we have been requesting for finance as from august last year, sorry paybill statements from last year August we have not received those statements. That shows something I being hidden by

those people and that is why I have appealed to members that lets continue pushing and see how best we can do to make sure that the County collects its revenue and the revenue helps our people.

Remember that as you have seen in this report that year only 16 per cent managed to go to development for our people. We need the Executive to come on board we work together and see what we can do, attaining 16 per cent is not the best we can do as county; if we come together and talk with one voice, I want to believe we can do something better otherwise that was 16 per cent and today is less that even 10 per cent and it is not good for a government that is planning to go ahead.

Mr. Speaker, we have been having several site visits to the quarries and very soon we are going to table a report here in the Assembly or a report over that same issue on what is happening in our quarries there at Mavoko. So, it is my sincere appreciation to all Hon. Members who have helped and even contributed towards this motion. Thank you, Mr. Speaker.

**Hon. Deputy Speaker:** Than you, Hon. Steve.

*(Question put and agreed to)*

I just want to say a few things before I adjourn the House. The first thing is on which I would like to say now that you have adopted the report, is that some of the issues which are being raised and which Hon. Moffat have raised and other Hon. members here have raised needs to be tackled in an urgent manner. It is incomprehensible for somebody to say that hospital grants which have been given for hospital grants and DANIDA cannot be accounted for because it was given without programs. That is what is on the report.

If the money is labeled for Level V hospital, does it need to have any other program on it? It is meant to be used in the Level V hospital. If money has been given by DANIDA it is supposed to be used for what DANIDA want it to be used for. So, if funds are given for specific purpose and you say you did not use it there or you cannot account for it because it was not utilized the way it was supposed to be utilized, there were no programs given, then those things don't add up in as far as explanation is concerned. That is the reason why, Hon. Member, excuse me---

*(Hon. (Ms.) Mutuku stood in her place)*

Hon. Constance Mbula,. Hon. Annastacia, you cannot stand and walk out of the House when the Speaker is up and addressing the House. So, if you don't want to be named, I would suggest you sit down. Take your seat.

The other thing I would like to talk about which Hon. Members have mentioned here is on automation of revenue collection. I think Hon. Members here have mentioned a lot about automation of revenue collection; Hon. Dominic have talked about it other Hon. members here have talked about it. I have spoken about it personally a million times in the past that revenue collection especially in the quarries where the much of the revenue is should be collected at source.

That revenue should be collected from the quarry person; the person running the quarry is the person who is supposed to be paying the County Government the revenue. I do not know how much time that requires to be implemented that you say all the charges which we collect from the quarry, you the quarry owner will be paying us. You are collecting from the customers

you pay direct to the county. That is not a difficult thing to implement; it is not difficult to implement automation in various other ways of revenue collection and I believe if you look at this report, I am just commending on it, anything on the recommendation, look at all the recommendations should ensure, should be, should; it is all futuristic.

I would be requesting the committee to look at all those sources of revenue which have been tabled in the report and go source by source and sit down as Hon. Titus Kaloki said with the Executive and go source item by source item and find out why are we all having these discrepancies. What can we be able to put, for example, if it is receipts from administrative fee what is ailing that; come out with the recommendations, come out with way forward. If it is business permits, what is ailing it and source item by source item. That should be the key job being undertaken by the finance and revenue committee in conjunction with the Executive as Hon. Kaloki said if that is done definitely we will be able to cap much of the issues which we are seeing here revenues declining by the day.

### ADJOURNMENT

**Hon. Deputy Speaker:** Hon. Members, I have finished and the next I wanted to say right now is off the cuff and it is not part of the Assembly proceedings and that is why I have switched off my mic; we need to start the afternoon session at 2.30 p.m.

The House rose at 12.57 p.m.