

**MACHAKOS COUNTY ASSEMBLY****OFFICIAL REPORT****Thursday, 26<sup>th</sup> February 2015**

The House met at 2:47 p.m.

*[The Deputy Speaker (Mr. Nathanael Nganga) in the Chair]***PRAYERS****Hon. Deputy Speaker:** Good afternoon Hon Members.**COMMUNICATION FROM THE CHAIR  
SCHEDULE OF COMMITTEE SITTINGS**

**Hon. Deputy Speaker:** It has come to my attention that there have been collisions among committees when it comes to the times scheduled for committee meetings, with more than one committee being scheduled to sit in the same committee room at the same time. As a result, this inconveniences the members and also leads to wastage of man-hours as the affected committees seek alternative sitting arrangements. Scheduling of meetings on very short notice, bearing in mind the shortage of committee rooms, with only two committee rooms in the Assembly, is proving to be a real challenge.

For instance, today we had over 10 committees scheduled to sit at around the same time, a situation which led to a lot of confusion among members. I therefore, request all Chairpersons of committees to ensure that requests for committee meetings are availed to the Office of the Clerk one week in advance in order to allow for proper planning of the sitting times, as plans are made for construction of an additional office block.

**PAPERS****FINANCE AND REVENUE COLLECTION COMMITTEE REPORT ON INCOME AND  
EXPENDITURE 2013/14**

**Hon. Oliver Nzeki:** Thank you Mr. Speaker. I beg to lay the following paper on the table today 26<sup>th</sup> February 2015: Report of Finance Revenue Collection Committee on Income and Expenditure for the year 2013/2014. Thank you Mr. Speaker, Sir.

**NOTICE OF MOTION**

FINANCE AND REVENUE COLLECTION COMMITTEE REPORT ON INCOME AND  
EXPENDITURE 2013/14

**Hon. Oliver Nzeki:** Mr. Speaker, Sir, I wish to give notice of motion that this Hon House discusses and approves the Finance and Revenue Collection committee report on Income and Expenditure for the Fiscal Year 2013/2014.

**STATEMENTS**

**Hon. Dominic Maitha:** I was to be given a response as to how we are going to get the report. Up to date Mr. Speaker, I have not received those statements.

**Hon. Deputy Speaker:** Proceed with your statement. We will issue directions right after that.

**Hon. Maitha:** Mr. Speaker Sir, I wish to seek the following statements:-

1. I wish to seek statement on the bursary disbursement status, Mr. Speaker, Sir. The last bursaries we filled for our students and beneficiaries up to date Mr. Speaker, have not been released or disbursed, and as we are talking today Mr. Speaker, some Hon members of this house have started disbursing their bursaries today, in quotes. The Majority Leader was distributing bursary checks in his ward. Why is it that these bursaries are being awarded secretly without the consent of the other members? I need a report on that Mr. Speaker.
2. I need to get a status of the Auditor's report for the year 2013/14, Mr. Speaker. When you read the Constitution Mr. Speaker, Sir, chapter 229 of the Constitution of Kenya, the supreme law of the land, it outlines clearly the work of the establishment of the Auditor General's office, and the works are well stated down there and it states clearly, once in every six months after the end of every financial year Mr. Speaker, he shall table audited reports of both National and County governments Mr. Speaker. And it goes down to state clearly that after the Auditor General has released his report, chapter 229 of the Constitution, the auditor is supposed to forward those reports to the various assemblies that is the national assembly and the county assemblies and within three months after the outcome of the report, it is supposed to be debated.

**Hon. Deputy Speaker:** Hon Dominic, you request for your statement, please go ahead. You don't have to elaborate the statement.

**Hon. Maitha:** I need the status report. Why is it that the auditor's report has never been discussed in this house as the Constitution entails within three months Mr. Speaker, Sir?

3. I need to seek a statement on the county vehicles registration status, Mr. Speaker Sir. Sometimes back, we agreed that all county vehicles must as per the law, be registered with the registration numbers which I agree Mr. Speaker. Up to date, so many county cars are still operating on private registration numbers, which is privy to misuse Mr. Speaker, Sir. Why have they not been registered with private registration numbers? Otherwise they might be privately owned.
4. The status of the water drilling rigs that were launched by His Excellency the Governor the other day Mr. Speaker. According to what I have personally seen and witnessed, the rigs that have been launched are old machines; we need to get the status of those machines, are they new, where were they bought and what is their status.
5. I want to get a report about the status of the County Public Service Board chair Mr. Speaker. As we are aware, the County Public Service Board chairperson resigned and up to date, we have no report of what is happening. That creates a vacuum of the public service functions in our county. Thank you Mr. Speaker, Sir.

**Hon. Deputy Speaker:** Thank you Hon. Dominic. It must be understood by all members that whenever you are seeking a statement, you don't need to elaborate the statement and you would rather be advised to seek the statements then wait for the answer, because if you seek a statement and issue an answer at the same time then you contradict yourself. So for those statements that have been sought by that Hon Member, the statement on bursary disbursement status, chairman on education and social welfare, can you commit yourself when you should be able to bring a statement of the same to this house?

**Hon. David Manyolo:** Thank you Mr. Speaker, Sir, and the house at large. I truly give one week to go and seek from the Ministry of Education and also the Ministry of Finance and issue the check soonest possible.

**Hon. Deputy Speaker:** So you will be giving us a statement next week on Thursday?

**Hon. Manyolo:** Next week on Thursday, Mr. Speaker.

**Hon. Deputy Speaker:** Thank you. You can have a sit. Chairman PAIC, second statement on the status of the Auditor's report for 2013/2014 financial year, when are we likely to get your statement?

**Hon. Joseph Kalunde:** Mr. Speaker, Sir, we have just started organizing the report and it is not a simple report. It is going to take almost 14 days, so after that we will be able to lay the report.

**Hon. Deputy Speaker:** So two weeks from now?

**Hon. Kalunde:** Three weeks,

**Hon. Deputy Speaker:** Three weeks I think might be a long time, Hon Kalunde.

**Hon. Kalunde:** No I do not want to tell you that it is two weeks then we fail.

**Hon. Deputy Speaker:** Three weeks?

**Hon. Kalunde:** Yes.

**Hon. Deputy Speaker:** Thank you. Ensure that you have that report ready by then.

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

**Hon. Deputy Speaker:** Chairman on Transport, is he present or the Vice Chair? Do we have either of them present in the house? Minority Leader, on behalf of the Chair Transport, you can give us an undertaking when you will pass the brief over to the member and when we can have that report.

**Hon. Thomas Kasoa:** Thank you Mr. Speaker. Give me some time I consult the chair, Transport and maybe I can assure you by Tuesday next week, proper communication will be given out. Thank you.

**Hon. Deputy Speaker:** Some proper communication on Tuesday next week? Thank you. Ensure you pass on the communication to the relevant chairman. Chairman on Water, the issue of the status of the drilling rigs, when are you giving an undertaking? Hon. Ngunzi, when can we have that statement with us?

**Hon. Edrick Ngunzi:** Thank you Mr. Speaker. This one is easy; I just need the Chief Officer or the CEC, Water and the report will be here on Thursday next week.

**Hon. Deputy Speaker:** Thursday next week without fail Hon. Chairman. Finally chairman, Labour, when are we knowing the status of the chairman of the County Public Service Board? Give us an undertaking.

**Hon. Leonard Katela:** Thank you Mr. Speaker. This one I will have to consult and I can give a report on Thursday.

**Hon. Deputy Speaker:** Thursday next week?

**Hon. Katela:** Yes.

**Hon. Deputy Speaker:** I propose Wednesday because Thursday, much business will be

brought by chairs, the other statements have requested to be here on Thursday, so for creation of time, Wednesday will be appropriate?

**Hon. Katela:** Wednesday is fine.

**Hon. Deputy Speaker:** Thank you. Make sure we have that report with us on Wednesday.

**Hon. Katela:** Sorry, Wednesday afternoon.

**Hon. Deputy Speaker:** Wednesday afternoon, agreed. And Hon members it is important that you note that those deadlines must be adhered to, so that this house transacts its business as seriously as it should. The statements that were sought last week Hon Members: On 12<sup>th</sup> February, 2015, the member for Muthwani, Hon. Dominic Maitha sought several statements with the chair. The chair promised to give a direction this week and consequently, the statement should be handled as follows:-

There was a statement on the implementation report on the development projects for the year 2014/15. The chairperson on committee on implementation, is he present today? When are we having that report, the committee on implementation report for projects of 2014/15 financial year?

**Hon. Alphonse Wambua:** Thank you Mr. Speaker. Within the next ten days I will present the report in this house. Thank you Sir.

**Hon. Deputy Speaker:** Thank you; let us have that report ready. I can see there was a statement on the bursary award report for 2013/14. Is it a repetition Hon. Maitha with whatever you have requested today?

**Hon. Maitha:** Mr. Speaker Sir, those are two totally different things. First, what I sought is the status report, because when the minister in charge, the CEC, Education was here a week ago, we sought to know about the bursary status of the financial year 2013/14 and she said she does not want to be asked about any finance issues for the year 2013 /14, yet we had budgeted and we never disbursed. So that is totally a different thing Mr. Speaker.

**Hon. Deputy Speaker:** Ok. Chairman, when are we getting the feedback together with the statement number three on school feeding programme report for 2014? So you can give us an undertaking on the two: bursary award report for 2013/2014 and the school feeding programme for the same year, I think it is still lying within your docket. So when can you give us a report on the same?

**Hon. David Manyolo:** Thank you Mr. Speaker, Sir, and the house at large. I understand on Friday next week, my committee is moving around to inspect the status of the ECDE classes and also to know more about the feeding programmes, how much has been supplied to the

schools, so within 14 days I will bring a report. But on Thursday, I will bring a report on the issue of bursaries. Thursday, next week.

**Hon. Deputy Speaker:** Thank you. Ensure you stick to those timelines. The status of Machakos Social Welfare Empowerment Programme (MSWEP) report for 2013/2014, chairperson on Youth, Women and Sports is he present in the house to give us an undertaking on the same? The Vice Chairperson? He's not present in the House? Then, Minority Leader, on behalf of the chairman.

**Hon. Minority Leader (Thomas Kasoa):** Thank you Mr. Speaker. If I check around I cannot see the chairman for the youth and maybe if you give me some time I can consult him, then proper communication can be brought to the House by next week earliest.

**Hon. Deputy Speaker:** On Tuesday let us have the commitment of the chair on that statement. Thank you. Statement number five was Executive non-compliance report to the Assembly resolutions. That is for the chairman on implementation; I think you can do it together with the other report. You can bring them on the same time. Can you give us your undertaking on that, we may not recognize when you nod?

**Hon. Alphonse Wambua:** Thank you Mr. Speaker. I will bring those reports after 10 days.

**Hon. Deputy Speaker:** Thank you. Statement number six, the assembly reports on purchase of motorcycles for ward offices. The leader of majority party and County Assembly Service Board, now that the Majority Leader is not here, Minority Leader when can we have the assembly report on the purchase of the motor cycles for ward offices? I believe you meant the ward offices for the members of the county assembly? Hon Minority Leader, when can we have that statement?

**Hon. Minority Leader:** Chairman, I think the leader of majority had prepared something to present to the house and because today he is not in, I can consult him and maybe he can bring the report on Tuesday afternoon.

**Hon. Deputy Speaker:** Tuesday afternoon next week. Thank you for that commitment. Hon Chair on Education again, it seems there is a lot from your docket: ECDE classrooms report 2013/14.

**Hon. David Manyolo:** Mr. Speaker Sir, I understand that I had given that report that on Friday we are moving round to inspect the status for ECD classes 2013/2014 in every ward and then I sought to be given around 14 days to come up with a report.

**Hon. Deputy Speaker:** Ok. Thank you. The county equipment status report that is graders, tractors and loaders: chairperson, Roads Transport and Public Works committee, Minority Leader on behalf of the Chair, can you pass that undertaking to give us some response?

**Hon. Minority Leader** Thank you Mr. Speaker; let us give the communication by next week probably on Wednesday.

**Hon. Deputy Speaker:** Thank you, Wednesday next week. County Inspectorate operations report, chairman committee on decentralized units and urban areas, do we have you in the house? And the vice chair, when can we have that report?

**Hon. Geoffrey Munyao:** Thank you Mr. Speaker, Sir. I will give the report on Thursday next week. Thank you.

**Hon. Deputy Speaker:** Thursday next week?

**Hon. Munyao:** Yes Mr. Speaker.

**Hon. Deputy Speaker:** Thursday is a little bit crowded can you try on Wednesday?

**Hon. Munyao:** I will do it.

**Hon. Deputy Speaker:** Thank you. Wednesday next week, you give us that statement. Finally, the county emergency food programme report: chairperson Health and Emergency Services do we have her present in the house? The Vice Chairperson, Committee on Health? Then Minority Leader you can pass the undertaking to the chairperson. When can we have that report?

**Hon. Minority Leader:** Thank you Mr. Speaker, let me consult the relevant chair and maybe the House can get the report probably by next week.

**Hon. Deputy Speaker:** I think next week is a little bit busy; we will give her two weeks from now.

**Hon. Minority Leader:** Alright.

**Hon. Deputy Speaker:** Thank you. Then with that...Yes what is your point of information?

**Hon. Maitha:** Thank you Mr. Speaker, for giving me another chance. Mr. Speaker, I just wanted to enquire, from the proceedings of today's statements, it depicts that there is a serious abstention from duty and vacuum of leadership in this assembly in terms of representation. Today is on a Thursday Mr. Speaker, we are supposed to get updates on government performance Mr. Speaker, and almost half of the chairs are not present in the house Mr. Speaker. How are we going to execute the business of this county if chairs and vice chairs are not attending house business? I think Mr. Speaker, you are the chairman of those committees, if they

are not capable of being present in this house Mr. Speaker, they better be taken off their positions we give capable people who can deliver business of this house. Thank you Mr. Speaker, Sir.

**Hon. Deputy Speaker:** Hon. Dominic, you may not need to use your point of information to impute some improper motive of the absence of members. Unless there is a substantive motion to discuss a member who has frequently been unavailable in the house, it's when such a matter can come before us. But I hope the communication has been passed, so we proceed Clerk. You want to seek another statement? Before you seek a statement, the procedure is outlined in the Standing Orders; you are supposed to furnish the information first to the office of the Clerk with the kind of statement then the Speaker will then approve that statement to come. So, what is your point of information?

**Hon. Stephen Muthuka:** Thank you Mr. Speaker Sir and the rest of the house. Mr. Speaker, sometimes it feels as if we are just here to pass time. How many statement have I requested from this Hon House? Mr. Speaker Sir, the statements that you are giving direction on right now were sought last week and the Speaker on the chair communicated that those statements will be directed to the appropriate chairs of committees in time, and today we were expecting reports, because some things are direct, you don't need to do investigations.

Mr. Speaker, if you check on the Standing Orders, reports on house resolutions, that is Standing Order 181 on our new Standing Orders page 99, within 60 days of a resolution of the house or the adoption of a report of a select committee, the relevant executive committee member under whose portfolio the implementation of the resolution falls, shall provide a report to the relevant committee of the house in accordance with article 183(3) of the Constitution.

Mr. Speaker, how many resolutions have we passed in this Hon. House? Mr. Speaker, how many reports have we received from the statements that we have been seeking in this house? Could it be that we just come here for formality and by the end of the day we are claiming our pay or sitting allowances?

**Hon. Deputy Speaker:** So Hon Muthuka, what is your point of order?

**Hon. Muthuka:** Mr. Speaker Sir, if after reading all that from the Standing Orders you are not able to understand my point of order, I think we have a lapse somewhere, because you should give us direction.

**Hon. Deputy Speaker:** Hon. Muthuka, you are out of order, can you resume your seat. The communication had been issued by the chair that today he will give directions on how the statements shall be handled. And that is what I have taken you through and feedback will be coming towards the same reports. If it is on matters of implementation, all that has been tackled by the statements that were sought, so I think it is right we give time for the various chairs that we have tasked with that responsibility to respond to those matters and then at the lapse of that date given, if the same is not adhered to, then you can rise on a point of order on that matter.



But on an issue that has been given a ruling today, then you cannot on the same day rise to complain that a report has not been issued. If a statement was supposed to be supplied to the house on previous dates, then on the expiry of those dates, it is that time when you should have sought for the explanation and if that did not happen, then you let the opportunity go unutilized. So I also advice that members who are seeking statements to be keen on the dates on when the directions are issued for the statements to be given in the house so that when the relevant persons do not respond as required, then this house can take an action against them. Yes Hon Minority Leader, what is it?

**Hon. Minority Leader:** Thank you Mr. Speaker. I am seeking clarification from you, is it in order for the Hon Member for Ndalani to sit on a reserved seat? Thank you, Mr. Speaker.

**Hon. Deputy Speaker:** Hon Muthuka, you know the Standing Orders are very clear on the sitting arrangement in the chamber, where members should be seated and those seats that are reserved should be given the respect that they deserve. So you are advised to sit in your right chair. The Standing Orders are clear that members should use all other chairs other than the chairs whose sitting arrangement have been earmarked and I order that you just comply.

**Hon. Muthuka:** Thank you Mr. Speaker.

**Hon. Deputy Speaker:** Proceed, Clerk. Let us proceed to the next order.

## MOTIONS

### REFUND OF OVERPAID SINGLE BUSINESS PERMITS FOR 2014

**Hon. Deputy Speaker:** The motion had been deferred.

### FINANCE AND REVENUE COLLECTION COMMITTEE REPORT ON INCOME AND EXPENDITURE 2013/14

**Hon. Oliver Nzeki:** Thank you Mr. Speaker, Sir. Mr. Speaker, aware that this house received the income and expenditure report for 2013/2014 financial year as per section 165(1) of the PFM Act, that states: 'at the end of each financial year, a receiver of the county government shall prepare an account in respect of the revenue collected , received and recovered by the receiver during that financial year' and 165(2)a- shall include a statement of receipts and disbursement in form of ...prescribed by the accounting standard board from time to time,' Mr. Speaker, aware that the committee on Finance and Revenue Collection went ahead to analyze and recommend on the report, I wish to move a motion that this Hon House discusses and approves the 2013/2014 income and expenditure report as presented by the Finance And Revenue Collection committee. Thank you Mr. Speaker Sir. I call upon Hon David Manyolo to second.

**Hon. Manyolo:** Thank you Mr. Speaker, Sir. I stand here to second the motion. Mr. Speaker Sir, protect me.

**Hon. Deputy Speaker:** You are protected.

**Hon. Manyolo:** Thank you Mr. Speaker, Sir. It is a nice motion for us to discuss because the county lives within the finance and revenue collections and because the committee has an analysis of the report, I call upon the members to discuss it seriously and I stand to second. Thank you Mr. Speaker, Sir.

**Hon. Deputy Speaker:** Proceed chairperson.

**Hon. Nzeki:** Thank you Mr. Speaker, Sir. I stand here to bring a report of the Finance and Revenue Collection committee.

**Hon. Deputy Speaker:** Continue hon. chairperson.

**Hon. Nzeki:** Thank you Mr. Speaker, Sir; this is a report of Finance and Revenue Collection committee.

### **Preamble**

**Hon. Nzeki:** Mr. Speaker, Sir, the Finance and Revenue Collection Committee as established is required under Standing Order No. 190 (5)(a) to investigate, inquire into, and report on all matters relating to mandate, management, activities administration, operations and estimates of the assigned department, and, 190(5)(d) mandates the committee to study, assess and analyze the relative success of the department as measured by the results obtained as compared with the stated objectives; further, the second schedule gives the committee specific mandate to all matters relating to the management of county public finance and revenue collection.

Mr. Speaker, Sir, the committee guided by the Public Finance Management act 165(1) that states that at the end of each financial year, a receiver of revenue for a county government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial year. Mr. Speaker Sir, the committee on Finance and Revenue collection discussed the 2013/14 Income and Expenditure report on 21<sup>st</sup> and 22<sup>nd</sup> October 2014 and on 28<sup>th</sup> and 29<sup>th</sup> November 2014.

### **Members Present**

Mr. Speaker, the committee as constituted by this house was attended by the following members;

1. Hon. Oliver Nzeki - Chairman

- |                           |                  |
|---------------------------|------------------|
| 2. Hon. Bibiana Nduku     | - V/ Chairperson |
| 3. Hon. Peter Nzioki      | - Member         |
| 4. Hon. Raphael Mutuku    | “                |
| 5. Hon. Edrick Ngunzi     | “                |
| 6. Hon. Felix Ngui        | “                |
| 7. Hon. Margaret Ndalana  | “                |
| 8. Hon. Phillip Ndolo     | “                |
| 9. Hon. Alice Nzioka      | “                |
| 10. Hon. Bernedette Mueni | “                |
| 11. Hon. Nathaniel Nganga | “                |
| 12. Hon. David Manyolo    | “                |
| 13. Hon. Mutuku Mutua     | “                |

### **Observations**

Mr. Speaker, Sir, on examining the 2013/14 Income and Expenditure, report of the county government the Committee noted the following anomalies-:

- A sum of Kshs. 109.8 million was stated as unspecified revenue. This is a large amount of money to be stated as unspecified revenue, and contrary to public finance management act section 165)(2)(a) that requires a statement of receipts and disbursement in a form prescribed by the accounting standards board from time to time.
- Revenue collected from Machakos and Masaku, Yatta and Matuu, are each set separate from the other as in the old order, and contradict the new order of devolution.
- The committee wondered why all county departments’ salaries were posted through the department of Public service, ICT and Labor.
- The county assembly recurrent expenditure of Kshs. 522m, development expenditure of 25m, did not add up to actuals.
- The debt of Ksh.18.5million recorded as expenditure yet there was no movement of cash involved in writing off the debt is misleading and involves misappropriation of the same amount.
- Aerodrome and Airstrip expenditure incurred of Kshs. 3.8 million is an outstanding revelation since the county government lacks such facilities.
- The flat expenditure on land purchased at Ksh.10 million need to be verified and identified
- Mr. Speaker, the details of Expenditure on Microfinance Youth Program amounting to Ksh.114million were not available or the nature of activities involved. Youth activities of this magnitude should be known to members, which is not the case here.
- Expenditure of Ksh.23million on Education Youth and Social welfare should be explained.

- Ksh.36million Expenditure on construction of ECD classes and polytechnics was questionable and suspicious.
- The county government incurred an expenditure of Ksh.378 million on construction of Buildings. The committee was concerned that such huge amount of money had no details of the activities to identify with the amount.
- Expenditure on other infrastructure and civil works amounting to Kshs. 383 million should have elaborating details.
- The source of Kshs. 265,600 LATF funds received, which are no more should be clarified.
- The department recorded Zero collection of Cess in the months of October and November and collected 7,000,915 in the month of December, 2013. This Mr. Speaker does not add up to sense.
- Royalties (*quarry extracts fees*) as computed were too low to comprehend. The frequency of business at the quarry and the billions of transactions should not give this county what can be earned as cess.
- Mr. Speaker, Sir, Rent received from July to September 2013 was a constant figure at Ksh.3, 382,200 per month, which was supposed to be a predictable movement throughout the year. The collection fell drastically in December 2013 and January 2014 to Ksh.222, 280 and Ksh.171, 000 respectively posing a lot of questions on the safety of county revenue.
- Development expenditure analysis and Departmental expenditure Revenue Accumulation account did not match with actual expenditure.
- Expenditure on computers and other equipment amounting to 305million is not realistic.
- Mr. Speaker, Sir, this honorable house is aware that firefighting equipment and ambulances are not charged, yet the report shows collection of revenue from the services as high as Kshs. 2.8 million per month. Revenue from Firefighting and Ambulance Management rose from Ksh.368, 190 in December 2013 to Ksh.2, 854,632 in March and April 2014 and edited to Ksh.2, 434,632 in May 2014 and fell to 520,210 in June this year. This reveals a lot of underhand business unknown to members of this honorable house.
- Revenue collected from Building Plan Approval dropped to Ksh.1,680,274 in May and shot up to Ksh.20,888,952 in June 2014; this was either most unrealistic or a big revelation of actual collections

Mr. Speaker, Sir, the Committee learned that revenue collection for building plans was mostly done by the Department of Decentralized Units and Urban Areas which should not be the case in revenue collection. Further, Mr. Speaker, the 2013/14 income and expenditure report

presented to the committee had enormous errors of commission and omission intended to balance the accounts or, to merely meet the condition of reporting and ignore accounting standards as required by law.

The IFMIS program report showed a lot of errors in coding and this should be verified to ascertain whether there was editing involved otherwise the report was too unrealistic and most misleading (see attached summary report. *Note that the summary report is a product of the huge report received from the department of finance. The summary was very helpful and guided the committee to identify the numerous anomalies hidden in the huge report that the Auditor General, the Controller of Budget, Commission on revenue Allocation and the National Treasury may have failed to notice*).

Mr. Speaker, Sir, The report did not declare the Equity share received from central government. Mr. Speaker, the Committee noted that the 2013/14 income and expenditure report did not declare expenditure on the stadium and the Machakos people's park.

The committee observed that there was a suspicious intentional practice to ignore revenue collected from various points in some months. Revenue from social services and sports management, public toilet fees, liquor, agricultural input, health, and Motorbike parking fees was recorded at zero in the months of July to November 2013. The revenue must have been collected; the questions are why the revenue was not recorded, where it was taken, and who was responsible?

### **Invitation of the Chief Officer**

Mr. Speaker, Sir, the committee invited the department of finance and revenue collection Chief Officer, who forwarded the 2013/14 report to provide necessary information required to attain a more informed decision, but the officer failed to honor the invitation. This could either mean that the report was not questionable or most questionable to answer.

### **Recommendations**

Mr. Speaker, Sir, the Public Finance Management Act section 165 (1) states that at the end of each financial year, the receiver of revenue, for the County government, shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial year and (3) states that not later than three months after the end of the financial year, the receiver of revenue for the county government shall:-

- (a) Submit the accounts to the Auditor-General; and
- (b) Deliver a copy to the National Treasury, the Controller of Budget, County Treasury and the Commission on Revenue Allocation.

The Public finance management act section 166(4)(a) requires that the County treasury to consolidate the quarterly reports and submit them to the County Assembly and (c) publish and publicize them.

Mr. Speaker, the 2013/14 income and expenditure report which is before this house now was equally presented to the above mentioned National institutions according to the public finance management act sections 166(4) as quoted by the Chief Officer on forwarding letter attached to the report – (*see attached copy*).

Mr. Speaker, Sir, the committee noticed so many errors of commission and omission to trust the report and is left with no alternative other than to recommend for forensic audit of the bank statements to march the revenues banked against receipts recorded per month at collection points. The combination of these two transaction cycles would reveal the overall cash collected in 2013/14 fiscal year.

Mr. Speaker, Sir, it is regrettable that this honorable assembly had received such a misleading and flawed report; this honorable house must be granted the honor it deserves. This honorable house, Mr. Speaker, should never, be undermined; this honorable house should never again, be presented with such misleading information as if it had no integrity to scrutinize, define and determine the contents and come up with resolutions.

Mr. Speaker, the standards set to determine consistency on expected revenue collection have either been corrupted or ignored to give forth an assumed expectation. Mr. Speaker, Sir, the committee makes the following recommendations which should be implemented with the full force of the law:-

The wealth of the county is in the cement material and concrete mining fields at Mavoko. The basis used in computation of royalties payable are either outdated or compromised and should be availed to the assembly for review.

That investigation as to why revenue collection has highly dropped, be undertaken or explained; (comparison with revenue collected in 2012/13 should be provided per sub county);

Mr. Speaker, Rent collected in July, August, and September, 2013 was Kshs. 3, 382,000.00 each month and dropped to Kshs. 171,806.00 in January 2014. Mr. Speaker, collection of Rent is expected to be a constant amount throughout the period with minimum variations. The only reason for this disparity is that somebody must have pocketed this money or the sources must have been demolished. The committee recommends disciplinary action; recovery and legal action against the responsible accounting / revenue officer(s).

Cess collected in the months of July, August and September was at Kshs. 215,000.00 each month and dropped to zero in the months of October and November and abnormally rose to Kshs. 7,000,915.00 in December and dropped to Kshs. 517, 632.00 in January, 2014, the

variance is beyond anticipations. The abnormal increase was probably the actual collection revealed. The committee recommends disciplinary action; recovery and legal action against the responsible accounting/revenue officer(s).

Mr. Speaker, Kshs. 109.8 million declared as Unspecified Income is a large amount of money and may imply that more money was available and only part of the amount was posted. The details and circumstances related to the unspecified income should be availed.

Mr. Speaker, casual employees should not be engaged in collecting revenue for the County government, only the permanent staff from the department of finance and revenue collection, as stipulated in the Public Finance Management Act section 157(1) that states that, the county executive committee member for finance shall, in writing, designate persons to be responsible for collecting, receiving and accounting for such revenue as the county executive committee member for finance may specify in their letters of designation. Any other person other than the designated employees, engaging in revenue collection would be doing so against the law.

Mr. Speaker, the report had no supporting documents attached, such as bank statements, bank reconciliation statements or cash flow statements to support it; the committee demands that the documents be availed for scrutiny immediately. The committee recommends that the income and expenditure reports, that were previously not availed quarterly as required, Under Public Finance Management Act 166, be availed continuously to this assembly without delay and according to the law.

Mr. Speaker, the Committee proposes to undertake random checks on receipts being issued at various points of revenue collection, as well as how receipt books are issued and kept, and compare them with office duplicates and bank statements to establish loopholes in County revenue collection management.

Mr. Speaker, Sir, article 232 (1) of the Constitution of Kenya states that the values and principles of public service include (a) high standards of professional ethics (e) accountability for administrative acts, and (f) transparency and provision to the public of timely accurate information.

Mr. Speaker, the Public Finance Management Act 197(1), states that a public officer employed by the national government, or a national government entity commits an offence of financial misconduct if, without lawful authority, the officer, fails to pay into government bank account, any public money entrusted to the officer or received by the officer for or on behalf of that government or that entity; and (i) incurs a wasteful expenditure on behalf of that government or entity, (k) fails to provide any information in the officers possession, or under the officer's control, in relation to the financial management, financial performance, or banking activities of the government or entity or in relation to the management or control of an asset of that

government or entity when required to do so, except where such refusal or failure is required or authorized by this act or any other written law.

Mr. Speaker, the finance and revenue report for 2013/14 was most flawed, fabricated, misleading, corrupt, non-professional, with distorted facts and prepared with ulterior motives. The committee recommends that the accounting officer, responsible for the preparation of 2013/14 income and expenditure report, be disciplined, censored, prosecuted and, replaced with a competent and honest officer.

Mr. Speaker, the Public Finance Management Act section 149(1) states that an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is:-

(a) Lawful and authorized

(b) Effective, efficient, economical, and transparent.

(2q) Provide information on any frauds, losses or any violation of subsection (1) and provide explanation for the actions taken to prevent similar conduct in the future

(3a) Prepare a report on actions taken by the entity to implement any recommendations made in the committees report as adopted by the county assembly.

Further, Mr. Speaker, the department of finance and revenue collection, as revealed in this report, stands corrupt in every point of revenue collection. This poses danger and great risk to county funds and revenue, and measures must be put in place to safeguard the county revenue. The county government could be losing a lot of money through corrupt and loose handling of County revenue. The committee recommends total overhaul of the accounting standards applied in collection of revenue, and an overhaul of all heads of sections highlighted as revenue collection points in this report for the county government. For example, market fees revenue officer in charge, sand gravel fees officer in charge, Bus park revenue officer in charge and all the rest.

Mr. Speaker, the county government should adopt cashless/paperless payments systems and negotiate with Safaricom on the payment services through the Lipa na Mpesa platform. The executive committee member of finance and revenue collection should bring to an ultimate end the cash collection of county revenue within the shortest time possible. These should begin immediately and be sensitized through the media and strictly adhered to across the county. The system should be fully operating within six months.

Mr. Speaker, Sir, the committee recommends that the executive committee member of finance and revenue collection responds to the queries raised herein, and give reasons as to why this honorable house should not hold her to account and responsible to this mess, and approve for audit of the county revenue collection by the Auditor General, to unveil and advice on the efficiency, effectiveness, economy and transparency on County revenue collection for the year and safeguard the county funds.



Mr. Speaker, Sir, 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. I wish to express my appreciation to the Honorable Members of the Finance and Revenue Collection Committee who sacrificed their time to participate in the activities of the Committee and in preparation of this report. Mr. Speaker sir, this report was approved by the committee members as shown below:-

1. Hon. Oliver Nzeki
2. Hon. Bibiana Nduku
3. Hon. Peter Nzioki
4. Hon. Raphael Mutuku
5. Hon. Edrick Ngunzi
6. Hon. Felix Ngui
7. Hon. Margaret Ndalana
8. Hon. Phillip Ndolo
9. Hon. Alice Nzioka
10. Hon. Benedette Mueni
11. Hon. Mutuku Mutua
12. Hon. Nathanael Nganga
13. Hon. David Manyolo

**Hon. Nzeki:** Mr. Speaker, Sir, it is therefore my pleasant duty and privilege, on behalf of the Committee on Finance and revenue collection, to table this report on income and expenditure for the year 2013/14 in this honorable House for consideration and adoption. Thank you, Mr. Speaker.

*(Applause)*

Mr. Speaker Sir, I call upon Hon David Manyolo to second the report. Thank you, Mr. Speaker.

*(Applause)*

**Hon. Manyolo:** Thank you Mr. Speaker, Sir, and the house at large. First I congratulate the able chair for Finance and also the committee of Finance for the good work they have done. Mr. Speaker, Sir, it was hard for us to go through and reveal some of the issues which have been mentioned within the report and within the report, it states clearly that we have no faith with the finance offices and all officers within the finance must go Mr. Speaker, Sir because the report states that the county is losing much money day to day and also the members within can also ascertain. You see, sometimes we have a drop of the income, increase of the income, why is it fluctuating? It seems that there are cartels which are going on within the revenue collections. So Mr. Speaker, Sir, besides the report, I also don't have faith in all the officers within the revenue and finance. Thank you Mr. Speaker, Sir.

**Hon. Deputy Speaker:** Thank you. Members, the report is properly before the house and debate is open. So we begin with Hon. Mutua Mutuku

**Hon. Michael Mutuku:** Thank you Mr. Speaker, Sir, for granting me the opportunity to make some remarks in line with the report which is before this Hon house. Mr. Speaker, Sir, it happened I was a member of the committee which was undertaking the exercise and I would like to say, there is an untold story in line with the department of Finance and Revenue in Machakos government. We realized the report which they had presented to us earlier was a cooked report, a fabricated report, therefore I wish to say truly speaking, the officers all of who are working in the ministry of finance actually need to step aside for further....

**Hon. Deputy Speaker:** Let us hear your point of order.

**Hon. Maitha:** Mr. Speaker, Sir, is it in order, this member is a member of the committee, he sat in that committee, and the deliberations are in that report, being a member of that committee Mr. Speaker, is it in order for him to repeat the same information? I believe Hon members who are not members of that committee are the ones who are supposed to be giving their submissions, because he is an Hon member and i would request Mr. Speaker, we adjourn this report's discussion at a later date so that members can be given time to go through the report. Thank you Mr. Speaker, Sir.

**Hon. Deputy Speaker:** Hon Dominic, you are not the one to decide who will contribute so that in itself puts you out of order. It is the prerogative of the chair to give opportunities to all members to contribute on issues, whether they were part of the committee or not. Their contributions would be either to distance themselves from the revelations or emphasize on the matters that have been raised therein. So continue and conclude Hon Mutuku.

**Hon. Mutuku:** Thank you Mr. Speaker, for your protection. I would like to say, when the report is before the house, every member has an equal chance, whether he was in a committee or not so I would like to continue. In line with my contribution, I wish to say it is high time this Hon house makes a resolution in line with how the revenue of Machakos County will be managed. Without that, definitely we are losing a lot of money.

Mr. Speaker, Sir, let me retaliate and say, the systems which are being used by the Ministry of Finance in line with collecting revenues do not have checks and balances and that is why Machakos County Government is losing the tax payers' money. With those few remarks Mr. Speaker, Sir, let me stop there and say, it is this Hon House which can really decide the fate of revenue in Machakos County. Thank you.

**Hon. Deputy Speaker:** Hon Ndeto.

**Hon. Festus Ndeto:** Thank you Mr. Speaker, Sir, for this opportunity. I begin by congratulating the chair and the entire committee that sat and came up with this report. Indeed

for the last two years in which we have been in this Assembly, we have received reports, but this is a unique report.

*(Applause)*

**Hon. Ndeto:** I believe unique as it is, when it comes to the implementation part, a bit of it shall also be unique. Hon Chair, it is my humble request to you to consider my proposal that we adjourn the discussion of this report, give members time to go and study it diligently so that we can come and contribute and I call upon Hon Muthuka to second the proposal that we adjourn this discussion of the report. Thank you.

*(Applause)*

**Hon. Deputy Speaker:** Hon. Ndeto, before we accord the secondment of your proposal we need to hear more members and learn the mood of the house. Let us hear Hon Nzioki.

**Hon. Peter Nzioki:** Thank you Mr. Speaker and the members present. Mr. Speaker, I am a member of this committee and I have some experience in accounting, and what I would say, I have never seen a report like this. This report from the accounting office was a fabrication of a report and Mr. Speaker I would urge, with your permission, you give this house and the members time to go and read this report so that they can give adequate and guided contribution to this report. Thank you, Mr. Speaker.

**Hon. Deputy Speaker:** Let us hear the secondment of the proposal by Hon Steve.

**Hon. Muthuka:** Thank you, Sir. I can see today you have called me Hon Steve. I think that is an improvement, I appreciate. Thank you.

*(Laughter)*

**Hon. Muthuka:** Mr. Speaker, as you can see, the report is very much voluminous; we have tackled the report but we have not gone to the analysis. Still we have another annexed report- 'Income and Expenditure Report 2013/2014' which goes to 53 pages, so discussing the sentiments of the committee at the moment is like lying to ourselves because we do not know exactly what is inside here.

The committee members could have made some errors in their citations, so if we are given time and maybe by Tuesday we come prepare to contribute, I think every member will give a very valuable contribution and will be able to recommend on further directions which can improve the welfare of this revenue collection and management of our county funds. So I wish to second the proposal and request Hon chair that we adjourn until Tuesday, Thank you.

**Hon. Deputy Speaker:** Then we will hear submissions in support of that proposal. Hon Kasoa.

**Hon. Minority Leader (Thomas Kasoa):** Thank you Mr. Speaker. I wish to concur with the members that if you check this document, it is very wide and has a lot of sensitive issues; let members be given enough time they go through then the report should be brought back to the Assembly on Tuesday so that members can have enough time to go through. Thank you, Mr. Speaker.

**Hon. Deputy Speaker:** Hon Minority Leader, the report is already in the house, we can only defer a debate.

**Hon. Minority Leader:** Thank you Mr. Speaker. I am saying we adjourn today so that we can give ample time to members to go through the report.

**Hon. Deputy Speaker:** Thank you. Hon Geoffrey Munyao.

**Hon. Geoffrey Munyao:** Thank you Mr. Speaker, Sir. Mine is to second for adjournment because we are dealing with matters relating to finances and it might be that the committee has fixed the Executive somewhere; we can intervene and check if they have fixed the Executive in a certain way.

*(Laughter)*

**Hon. Munyao:** Because it is a matter concerning money, I request for adjournment until next week. Thank you.

**Hon. Deputy Speaker:** Hon. Anne

**Hon. Anne Wairimu:** Thank you Mr. Speaker, Sir. I just want to applaud the chairman who has brought this document to this Assembly. If all of us concur with the rest of the members that we adjourn, I would like to ask the fellow members who are chairmen of other committees if they will just bring a good report like this and not something which looks more of a movie, I think we will be somewhere. We will be doing something very nice for this county and this house will be called a Hon House and not a movie house. Thank you Sir.

*(Applause)*

**Hon. Deputy Speaker:** Hon. Kitheka.

**Hon. Cornelius Kitheka:** Thank you Mr. Speaker for catching my eye at this moment. Mr. Speaker, when a single rat is trapped, the entire kingdom of rats says that we are done. Now that we are done, let us adjourn this meeting until Tuesday and then we make a very vibrant contribution to this-----

**Hon. Deputy Speaker:** Yes Hon Nzioki, what is your point of order?

**Hon. Nzioki:** Mr. Speaker, is it in order for that member to call us rats?

**Hon. Deputy Speaker:** Hon. Kitheka can you substantiate. Have you just called Hon members rats?

**Hon. Kitheka:** Mr. Speaker, I would like that Hon member to go and look at proverbs, idioms and many things of the English world and consult the Cambridge dictionary on such phrases which will address the issue at hand. I am not calling Hon Members rats.

**Hon. Deputy Speaker:** Can you substantiate. Did you just call Hon members rats?

**Hon Kitheka:** My point is very clear, I did not call the Hon Members rats; I just gave a phrase which means, 'when a community or an entire kingdom is frustrated to the end, to an extent, the entire kingdom seems to see as if they are finished and the conclusion is phrased in the rat kingdom. That is the phrase. Thank you.

*(Applause)*

**Hon. Deputy Speaker:** Yes, Hon. Mukewa

**Hon. Wilson Kasimu:** Mr. Speaker, Sir, I am still not satisfied with the explanation of the Hon member. We want to know who the rats are in his phrase, Mr. Speaker, Sir.

**Hon. Deputy Speaker:** Hon. Ngunzi, you are on a point of order? What is your point of order?

**Hon. Edrick Ngunzi:** I thought Mr. Speaker, Sir. We were on a much serious matter than dwelling on rats and name calling.

*(Applause)*

**Hon. Ngunzi:** I wish to request that we proceed with the discussion of the report other than on the rats. Thank you.

**Hon. Deputy Speaker:** Yes, I would want us to proceed with that debate.

**Hon. Kasimu** Thank you Mr. Speaker, Sir. I am still requesting for an adjournment; if this matter is as serious as the house is saying, then Mr. Speaker, Sir, enough is enough, give us an adjournment so that we go through the document then we meet here next week on Tuesday and discuss the report. Thank you, Mr. Speaker.

**Hon. Deputy Speaker:** Then let us hear Hon Mueni before we put the question.

**Hon Benedette Mueni:** Thank you Mr. Speaker, Sir. Mine is to ask the Honourables not

to go and keep this paper in their boxes but to go and read over the weekend because of what it means for the county. The money is getting lost in the county and in the pockets of men. So go and read this, the men are taking our money and our county is very rich. Thank you.

*(Applause)*

**Hon. Joseph Muli:** Point of order.

**Hon. Deputy Speaker:** Yes, Hon Muli, what is your point of order?

**Hon. Muli:** Thank you Mr. Speaker. Hon Mueni, has said the men, what about the women? Don't they also have pockets to keep the money? Thank you.

**Hon. Deputy Speaker:** I concur with you and you need not respond. Let us hear another member, Hon. Nzoka.

**Hon Nzoka Munywoki:** Thank you Mr. Speaker, Sir and thank you for catching my eye. Much has been said, we are seeking adjournment and the paragraph which is above the last one, 'and the committee insisted that the CEC comes up to responds on this one.' It might be they have fixed them, so we are expecting to get this report from the CEC Finance. Thank you.

**Hon. Deputy Speaker:** I would want to finally hear the chair before we adjourn, whether he is in agreement with the proposal for adjournment.

**Hon. Nzeki:** Thank you Mr. Speaker, Sir. A lot has been said and a lot is being said. It is being said that *ninathela* (I am finished). Yes, because I have given this report, somebody is saying that I am finished. Mr. Speaker, Sir, I just got the report and it is extracted from what came from the finance department. It is not from the finance committee, the report came from the Finance Treasury.

*(Points of order raised)*

**Hon. Deputy Speaker:** The chair is protected, let him explain himself.

**Hon. Nzeki:** So what I am saying, what is extracted from Finance, that is Treasury, is what has been brought to the house. So members I am asking you, because I cannot own it, it is the committee which is going to own it, so members because it is voluminous, I am asking the Speaker we adjourn, they go and read it and they will find that what is given out as my report is what was given by the Treasury. Thank you, Mr. Speaker.

**Hon. Deputy Speaker:** Therefore with those submissions, I would want to put the question.

*(Question put and agreed to)*

**ADJOURNMENT**

**Hon. Deputy Speaker:** Debate on the report is adjourned until next week Tuesday. Enjoy your weekend, the house adjourns.

The House rose at 4:12 p.m.