
MACHAKOS COUNTY ASSEMBLY**OFFICIAL REPORT****Tuesday, 23rd June, 2015**

The House met at 2.49 p.m.

*[The Speaker (Mr. Mung'ata) in the Chair]***PRAYERS****Hon. Speaker:** Good afternoon hon. members. Let us proceed, Clerk**COMMUNICATION FROM THE CHAIR****INVESTIGATIONS ON COUNTY PUBLIC SERVICE BOARD SECRETARY**

Hon. Speaker: Hon. Members, I would like to address you on two issues that emanated last week relating to the investigations of the Secretary to the County Public Service Board (CPSB). One of the issues is the matter of the 'stepping aside' of the Secretary and second issue is on the timeframes for the *ad hoc* committee.

On the first issue hon. members, on 8th April, 2015 this Hon. House did pass a motion that the Secretary to the Machakos County Public Service Board (CPSB), one Rosemary Mulee be investigated pursuant to section 58 (5) of the County Government Act No. 17 of 2012. The said motion was amended on the floor of the House recommending that the Rosemary Mulee 'steps aside' pending investigations by this House.

Hon. Members have sought to know why Rosemary Mulee has not 'stepped aside' to pave way for the investigations by the House.

A thorough reading of the law relating to public service has not revealed what the phrase 'stepping aside' which is so popular with Kenyans means. The closest word is 'suspension'. This is provided for under section 62 of the Anti-Corruption and Economic Crimes Act 2003. It states that a public officer who is charged with corruption or an economic crime shall be suspended, at half pay, from the date of the charge.

Hon. Members, note that the key word here is 'charged'. The Secretary has not been charged with any offence. She is only being investigated. Also, the authority with the mandate of

suspending the Secretary is not the Assembly but rather the appointing authority which in this case is the Governor.

There is no express provision of the law requiring that a public officer being investigated by the Assembly 'steps aside' or be 'suspended'. Besides, the Assembly can investigate an officer for matters other than corruption or economic crimes. Looking at Section 58 of the County Government Act, which gives authority to this House to investigate the Secretary CPSB does not make provision for 'stepping aside' or 'suspension'. I urge members to be patient as we await the findings of the Committee.

On the second issue of the timeframes for the *ad hoc* committee I would like to state as follows. Subsequent to the passing of the motion on the Secretary CPSB, an *ad hoc* committee was constituted and has been executing its mandate ever since.

While the House was in recess from 6th May, 2015, the office of the Speaker received a letter from the chairperson of that *ad hoc* committee requesting for more time to undertake its work. The Speaker invoked the powers granted under Standing Order No. 1 to grant the Committee a further period of one month to complete its task.

On 8th June, 2015 while reporting on the progress of the Committee the Chairperson of the Committee Hon. Edrick Ngunzi requested for more time for the committee to complete its work. He cited several reasons for the request including the fact that the committee has had to interrupt its proceedings to attend to other House matters including breaking for two weeks to participate in the budget making process. The Speaker is also aware that the members of the *ad hoc* committee include the Deputy Speaker and chairpersons of other committees who are bound to attend to their respective committees.

The Speaker is again aware that the process of investigation takes time. Due process has to be followed. Witnesses need to be given notice and time to collect evidence. The person being investigated has to be given adequate time and facility to defend herself over the allegations under consideration.

This House considered and passed the motion for the extension of time for one further month. It is to be noted, however, that the Speaker will not entertain any motion for further extension of time. The committee must prioritize its work, it must put aside any other engagements in favour of its responsibilities so as to complete and report back to this House within the timeframe now given. The time of 30 days will run from the time of this date of this communication. Thank you very much. Let us proceed.

PAPER LAID

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REPORT OF ON BUDGET ESTIMATES FOR 2015/16

Hon. Isaac Muinde: Mr. Speaker, Sir, pursuant to Public Finance Management Act, section 131 (1), I wish to lay on the floor of the House the report of the Select Committee on Budget and Appropriation on Budget estimates for the fiscal year 2015/16.

Hon. Speaker: Thank you. Paper laid. Proceed.

NOTICE OF MOTION
REPORT OF BUDGET ESTIMATES 2015/16

Hon. Muinde: Mr. Speaker, Sir, pursuant to Public Finance Management Act, section 131 (1), I beg to give notice on the motion on the report of the Select Committee on Budget and Appropriation on Budget estimates for the fiscal year 2015/16.

Hon. Speaker: Thank you. Proceed.

MOTIONS AND BILLS

(First Reading)

MACHAKOS APPROPRIATION BILL 2015

Hon. Muinde: Mr. Speaker, Sir, I wish to present the Machakos Appropriation Bill 2015 to be read today Tuesday, 23rd June, 2015 for the first reading.

Hon. Speaker: Proceed, Clerk.

MOTION

MACHAKOS APPROPRIATION BILL 2015

Hon. Muinde: Mr. Speaker, Sir, that aware that this house received the budget estimates for the 2015/16 financial year as per section 130 of the PFM Act, that states that the County Executive Committee member of finance shall submit to the county assembly a budgetary summary that includes a summary of budget policies including revenue, expenditure, debt and deficit financing and an explanation of how the budget relates to the fiscal responsibility principles and the financial objectives.

Mr. Speaker, Sir, aware that the county has adopted programme-budgeting for the 2015/16 financial year that identifies the development programmes projects to be implemented

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and the inclusion of the ward development fund, the recurrent budget estimates were equally matched with the expenditure items, I wish to move a motion that this hon. house discusses and approves the 2015/16 financial year budget as presented by the Budget and appropriation committee. Thank you Mr. Speaker and I ask Hon. Rachel to second the motion.

Hon. Rachel Nduku: Thank you Mr. Speaker. I hereby second that this house discusses and approves the Machakos County Budget estimates for the fiscal year 2015/16. Thank you, Mr. Speaker.

Hon. Muinde: The Budget and appropriation committee report for the fiscal year 2015/16 dated Tuesday, 23rd June, 2015.

Hon. Speaker: Proceed.

Hon. Muinde: Mr. Speaker, Sir, and the hon. members of the assembly, the Budget and Appropriation committee derives its mandate from the house Standing Order No. 186 (3) (a) that states that “there shall be a select Committee to be known as the County Budget and Appropriations Committee which is mandated to, investigate into, inquire into and report on all matters related to coordination, control and monitoring of the county budget, discuss and review the estimates and make recommendations to the Assembly.”

A further mandate is derived from the Public Finance Management Act 2012 section 131(1) which states that “the County Assembly shall consider the County government budget estimates with a view to approving them, with or without amendments, in time for the relevant appropriation law and any other laws required to implement the budget to be passed by June in each year.

Hon. Members, the budget making is a process that takes place throughout a fiscal year and starts with the CEC Finance issuing a budget circular to the user ministries that dictates the guidelines to be followed in making the following year’s budget estimates by 30th August of the current year and ends by 30th June, of the following year.

Mr. Speaker, Sir, pursuant to Public Finance Management Act 2012 section 129 (2)(a) the CEC Finance of the County Government is required to prepare the budget estimates for each Fiscal year and ensure it is approved by the cabinet before submitting the estimates to the Assembly by 30th April.

Mr. Speaker, Sir, the 2015/16 budget estimates were committed to the budget and appropriation committee after the house was informed on the receipt of the estimates in time with the PFM Act which is the principal law in management of public sector finance both in the National government and the County government.

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Mr. Speaker, Sir, the budget and appropriation committee subjected the budget estimates to the assembly sectoral committees for further interrogation of the government departmental budgets. The views and recommendations of the committees have been considered in this year's budget.

During this time, Mr. Speaker, the committees sat and invited their relevant chief officers and CECs and interrogated them with a view of prioritizing the needs since total resources allocated to the ministries were by far less than the required.

Mr. Speaker, Sir, the PFM Act section 131(2) further requires that before the budget estimates are approved, with or without amendments by the house, the relevant committee of the house that is the budget and appropriation committee should take into consideration the views of the CEC Finance and the public. To this end, the committee conducted public participation forums in all the eight sub counties of Machakos County on Monday 15th June, 2015 where we collected the views of the public in regard to the budget estimates as presented by the CEC Finance.

Mr. Speaker, the views of the people of Machakos County were well considered by the CEC while drafting the budget estimates 2015/16. This was reflected in the fact that most of the people who attended the forums were happy that the ministry of water was allocated the highest amount of funds followed by health and transport, in that order.

However, the following comments featured prominently from across the citizens.

- a) Investment in sewerage and drainage system for Mlolongo, Athi River, Machakos, Matuu and Tala towns and other upcoming pre-urban centers.
- b) More investment in agriculture across the county.
- c) Construction of water canals along rivers Tana, Athi and Thika.
- d) More investment in surface water than in underground water.
- e) Rehabilitation of existing boreholes before drilling more.
- f) Funding of ward development through the creation of the ward development fund.
- g) Urgent equipping of existing health facilities.
- h) Construction of bodaboda sheds.
- i) Tarmacking of Syokimau and Joska roads.
- j) Building of more ECDE classes.
- k) Equipping of youth centers and construction of more centers.
- l) Provision of a cemetery for the whole county.
- m) Increase of security patrols in the wards due to high crime rates.
- n) Increase of bursary funding to support poor students.
- o) Completion of all stalled county projects and management of debts (pending bills).
- p) Construction of youth polytechnics.
- q) Construction of silos to be prioritized.

- r) Correctional centers for street children be established.
- s) Market street lighting (flood lights) be installed and operationalized.
- t) Sufficient funding for the emergency ambulances.
- u) Tractor programme be well-managed and be subsidized but not for free.
- v) Fencing of all water points.
- w) Construction of toilets in small market centers.
- x) Training of public on cooperative development.

Mr. Speaker, these recommendations are not listed in the order of priority but the public felt that over and above water, health, transport, education and other county priorities, enough funds must be allocated in this year's budget and in the medium term to address them. Mr. Speaker, these views have been considered in finalizing the budget estimates that I hereby present today on behalf of the budget committee.

To this regard, Mr. Speaker, the committee allocated funds to the specific ministries in line with the stated views by the public, taking into consideration the size of the resource envelope which is Kenya shillings ten billion, nine hundred and forty four million, six hundred and thirteen thousand, three hundred and thirty one shillings (Ksh. 10, 944,613,331).

Mr. Speaker, Sir, the budget estimates for the fiscal year 2015/16 is prepared in line with the fiscal strategy paper 2015/16. The Public Finance Management Act, section 117(3) states that "in preparing the county fiscal strategy paper, the county treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year." In this regard, Mr. Speaker, the strategic priorities of the county were considered in allocation of the scarce resources.

Mr. Speaker, Sir, it ought to be noted by this first assembly that budget-making process in the counties face challenges. It takes the two houses of parliament, the senate and national assembly, a lot of time to decide how much goes to the counties in form of the equitable share of resources. Disagreement between the Senate and the National Assembly on the division of revenue is one of the major challenges on budgeting at the county level. It is our hope that the PFM law will be amended to provide the counties the opportunity to know in advance what amount of equitable share shall be allocated to the county in time to be able to finalize its budget.

Mr. Speaker, one of the major milestones of the 2015/16 budget is the funding of the water ministry. The minister had proposed a total funding of Ksh. 2.62 Billion but on the review of the ministry budget, the committee recommends funding of Ksh. 2.5 billion. This is 23 per cent of the total budget of the county taking into consideration all the expected sources of funds.

Mr. Speaker, the other highlight of the Machakos County Budget 2015/16 is the creation of the ward development fund. The committee proposes to this house allocation of Ksh. 605

million for the fund. The proceeds will be shared equally among the forty wards at Ksh. 15 million each. Ksh. 5 million has been set aside for admin expenses.

It is our plea that the necessary steps will be taken to operationalize the fund by bodies concerned to ensure that money finds its way into the villages to create development hence further ensuring that the fruits of devolution are felt by Mwikali at the village level.

Mr. Speaker, it is the hope of this committee that the ministry of planning shall provide to this house the necessary information to ensure future division of funds at the ward level is equitably shared. Mr. Speaker, you fund that at that level, this year's budget fund for ward development is shared equally among the wards but in future other parameters like population, poverty index, the size of the ward in terms of landmass must be put into consideration so that funds in future can be shared equitably.

Mr. Speaker, the committee requests again that the necessary amendments to the Machakos ward development fund Act 2014 are made to fast track operationalization of the fund as recommended by the office of the Controller of Budget.

THE 2015/16 BUDGET ALLOCATIONS

Mr. Speaker, the budget draft from treasury has a grand total of Ksh. 11, 387,648,315. The recurrent expenditure is Ksh. 6,081,013,849 and development vote of Ksh. 5,306,634,465. The receipts and expenditures were based on the expectations that the county government of Machakos was to receive Ksh. 7.6 billion from the equitable share and a further Ksh. 1.5 billion conditional grant from the National government meant for water programme and a further local revenue collection of Ksh. 2,371,633,578. However, to date the receipts from the equitable share from the National Government allocated to Machakos county stand at Ksh. 6,768,653,467.00 and a further Ksh. 304,326,286.00 for the level five hospital making a total receipt of Ksh 7,072,979,753 from the National Government.

The conditional grant for water programs of Ksh. 1.5 billion is still expected to be received and as indicated will fund water programs within the county. The amount to be collected from own revenues is also expected to be achieved and therefore the committee maintained the amount at Ksh. 2,371,633,578. Therefore, the total budgeted receipts for the FY 2015/16 shall be Ksh. 10,944,613,331.

Mr. Speaker, the committee had to do a lot of balancing act to ensure ministries get a fair share of funds to enable them undertake their key priority programs and at the same time allocate a fair amount to the ward development fund to ensure that wards prioritize their development programs based on the people's needs.

In this regard, the committee recommends austerity measures on purchase of vehicles, computers and other electronic gadgets and on purchase of furniture. Further, the committee recommends to the house to direct the government to slow down on foreign travel, domestic travel, training and on hospitality expenditures. Such austerity measures shall ensure that money set aside for development is spend in a manner that is prudent as to achieve value and meaningful and tangible development within the county.

Mr. Speaker, other than employment of ECDE, youth polytechnic tutors and health department personnel, the committee recommends further employment of non-specialized personnel to be frozen so as to manage our ballooning wage bill.

Mr. Speaker, the committee requests the house to direct that water ministry be allowed to spend Ksh 1 billion as allocated from the equitable share and on local revenue and only spend the conditional grant of Ksh. 1.5 billion as and when received from National Government.

Mr. Speaker, the committee recommends the following amendments on the 2015/16 budget to the house for consideration and approval as annexed. Mr. Speaker, I believe now that members of the assembly should be supplied with the document.

Hon. Speaker: Yes, Clerk. Organize circulation. You can proceed.

Hon. Muinde: Expected challenges. Various challenges, however, lie ahead in the execution of the 2015/16 budget. Full execution of the budget will highly depend on the following factors:

1. The handling of the wage bill by the Executive.
2. Efficient collection of planned revenue and receipt of other finances.
3. Smooth establishment and operationalization of the ward development fund and the ability to absorb the allocations.
4. Efficiency of this assembly to oversee the implementation of the budget and make necessary measures to safeguard public funds.

If all this challenges are overcome then our performance will be rated above average.

CONCLUSION

Mr. Speaker, Sir, the county budget making process is a tedious exercise and involves making tough decisions on resource allocations among competing priority needs of the county entities.

It is a planning tool under which the economic agenda of an entity is realized in a manner that allocates the scarce resources of the entity to its unlimited needs based on a priority ranking.

Mr. Speaker, a county budget is also a political tool under which leaders advance the agenda of their electorates in a manner that ensures public goods and services are availed to the electorates

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in line with the County Integrated Development Plan while at the same time honoring their own election manifestos. It is therefore a difficult exercise that requires a delicate balancing act to ensure that all the major stake holders' interests are taken on board.

The committee ensured the provisions of all the applicable laws of the land were observed in making the budget interrogations and recommendations and that the stake holder's interest was taken on board.

ACKNOWLEDGEMENT

The committee is grateful to the office of the Speaker and that of Clerk to the county Assembly for the support accorded during the committee sittings. I wish to express my sincere appreciation to the chairpersons of sectoral committees for finding time to make the views of their committee heard by the budget committee. I too express my sincere appreciation to the hon. members of the assembly and the citizens of Machakos for all their inputs to the 2015/16 budget making process.

Finally, Mr. Speaker, I wish to commend the honorable members of the budget committee who sacrificed their time to participate in all the activities of the committee and in the preparation of this budget.

Mr. Speaker, Sir, this report was approved by all members of the committee as shown in the report and their signatures appended. It is therefore my pleasant duty and privilege on behalf of the budget and appropriation committee to table the Machakos county budget estimates 2015/16 report to this honorable house for consideration and approval. Thank you Mr. Speaker, Sir.

Mr. Speaker, other than the report I have just read, there is another voluminous document that we have just circulated which is giving a summary of all the vote heads within the county government, both the assembly and the Executive. It shows in the first column, the amount as appropriated by the CEC finance. The second column shows the variations that were recommended by committee on budget. Where there is a zero, it means there was no variation. Where there is a minus, a figure that is negative, it shows the amount that we are recommending to this house to vary the vote. That means to deduct.

The last column shows the resultant figure after the variation. It is only in a few areas where there are positive adjustments where we felt we needed to add more money to a vote that was underfunded but in most cases, the variations that are being recommended to this house by the budget committee are on the negative because by the time these estimates were forwarded to this house, the ward development fund had not been factored and we had to raid on most of the votes so s that we could make the Ksh. 605 million to create the ward development fund.

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It is my hope and prayer that this house needs wisdom and will support the report as presented to the house by the budget committee. Thank you, Mr. Speaker.

Hon. Speaker: Thank you very much. Hon. members, the budget report is before us for debate. Looking at this report, I am finding that it is a report of 103 pages. I don't know but it is a proposal from the Chair that members can withdraw and go through this report. Read through the figures, compare the figures with the ones they were handling in the committees. Verify them and those who do wish to move amendments to prepare them to be presented to the committee of the whole house and that we defer debate on this matter to tomorrow to enable members go through the document.

Are there any serious objections to my proposal? I will then say that is the ruling of the Chair. Do we all agree? Thank you very much. The thinking of the Speaker is that members will look at this document seriously and it will be treated that members were on duty tonight until tomorrow. We will begin early tomorrow. Clerk, any other matter?

ADJOURNMENT

Therefore, hon. members we will withdraw until tomorrow when we shall meet for further debate. Thank you and have a good afternoon.

The House rose at 3.23 p.m.