

**MACHAKOS COUNTY ASSEMBLY****OFFICIAL REPORT****Wednesday, 25<sup>th</sup> November, 2015**

The House met at 10.07 a.m.

*[The Temporary Deputy Speaker (Mr. Raphael Mutuku) in the Chair]***PRAYERS****Hon. Temporary Deputy Speaker:** Good morning members. Clerk, you can proceed.**BILL***Second Reading***MACHAKOS COUNTY CO-OPERATIVE SOCIETIES BILL NO. 5 OF 2015**

**Hon. Muli:** Thank you, Mr. Speaker. Pursuant to Standing Order 121 (1), I wish to move the motion that the Machakos County co-operative societies bill No. 5 of 2015 be now read a second time. Thank you, Mr. Speaker. I call Hon. Kavuu to second the bill.

**Hon. Kavuu:** Thank you Mr. Speaker. I stand now to second that Machakos County co-operative bill to be read for a second time. Thank you, Mr. Speaker.

**Hon. Temporary Deputy Speaker:** Thank you, Chairman. Proceed.

**Hon. Muli:** Thank you Mr. Speaker. The Machakos County Co-operative Societies Bill is an Act of the County Assembly of Machakos which gives effect to section 7 (e), part 2 of the Fourth Schedule of the constitution on co-operative societies. Mr. Speaker, Sir, the Bill is aimed at making provisions relating to the formation, registration and regulation of co-operative societies.

Mr. Speaker, Sir, the Machakos County Co-operatives Societies Bill, 2015 was committed to the Committee of Agriculture and Co-operative Development after the first reading in the house as per Standing Order No. 120 [1] which states that “A Bill having been read a first time shall stand committed to the relevant sectoral committee without question put.”

Mr. Speaker, Sir, according to Standing Order No. 120 [4] ‘the chairperson of the sectoral committee to which a Bill is committed or a member designated for that purpose by the committee shall present the committee’s report to the house within twenty calendar days of such committal and upon such presentation, or if the committee’s report is not presented when it becomes due, the Bill shall be ordered to be read a second time on such day as the house

business committee shall, in consultation with the member or the committee In charge of the Bill, appoint.’

Mr. Speaker, Sir, in line with the provisions of the Constitution, I hereby present to this Hon. House the Committee’s report on the Machakos County Co-operative Societies Bill, 2015 which the Committee on Agriculture and Co-operative Development discussed and made recommendations to the County Assembly for consideration.

Mr. Speaker Sir, the Agriculture and Co-operative Development Committee as currently constituted comprises of the following Hon. Members:-

- |     |                        |             |
|-----|------------------------|-------------|
| 1.  | Hon. Joseph Muli       | -Chairman   |
| 2.  | Hon. Philip Ndolo      | -v/chairman |
| 3.  | Hon. Joshua Mwonga     | -Member     |
| 4.  | Hon. Gideon Kavuu      | “           |
| 5.  | Hon. Isaac Muinde      | “           |
| 6.  | Hon. Wilson Kasimu     | “           |
| 7.  | Hon. Charles Mutisya   | “           |
| 8.  | Hon. Geoffrey Munyao   | “           |
| 9.  | Hon. Ruth Ndumi        | “           |
| 10. | Hon. Festus Ndeto      | “           |
| 11. | Hon. Peter Kyuli       | “           |
| 12. | Hon. Benedette Musyoka | “           |
| 13. | Hon. Jacinta Luka      | “           |

Mr. Speaker, Sir, Agriculture and Co-operative Development committee has been extensively involved in the various sittings to discuss the Machakos County Co-operatives Societies Bill, 2015.

Mr. Speaker, Sir, in line with the Constitution Article 196 [1] (b), the committee also invited the participation of the public as per Standing Order No. 120 [3] which states that the committee to which a Bill is committed shall facilitate public participation and shall take into account the views and recommendations of the public when the committee makes its report to the house by holding public hearing in the eight sub-counties namely; Machakos Central, Matungulu, Kangundo, Mavoko, Kathiani, Mwala, Yatta and Masinga.

### **Observations and Recommendations**

Mr. Speaker, Sir, the committee members observed that the Bill had not provided the object and purpose and recommended for insertion of part 2 to give the object and purpose of the Act to provide the legislative and institutional framework to facilitate :-

- a) Promotion of trade and development of co-operative societies pursuant to section 7 (e) of part 2 of the Fourth Schedule to the constitution on co-operative societies.

- b) Formation, registration and licensing of co-operatives.
- c) Promotion of co-operation between the national and county governments in matters relating to co-operative societies.
- d) Promotion of corporate governance of co-operative societies.

In addition, Mr. Speaker, the committee also observed that the Bill had not provided the role of the County Executive Committee Member and recommended for insertion of a new clause which makes the executive committee member responsible for the growth and development of co-operative societies in the county and in particular;

- a) Develop and oversee the implementation of county cooperative society's policies and strategies.
- b) Promote good governance in cooperative societies.
- c) Provide liaison with the national government on matters relating to cooperative societies.
- d) Advise the county on matters relating to the cooperatives.
- e) Authorize the cancellation of licenses or de- registration of cooperative societies, subject to the provision of this Act.
- f) Issue guidelines and regulations to facilitate growth and regulation of cooperative societies.
- g) Perform such other functions as may be assigned to the office under this Act.

Further, the committee observed that the Bill had not provided for county register of cooperative societies and recommended for clause 12 (2) to provide for the county register of co-operative societies into which shall be entered particulars of all registered cooperative societies including:-

- (a) The name of the cooperative society.
- (b) Physical address of its offices.
- (c) Nature of business.
- (d) Number of members.
- (e) Such other particulars as the director may determine.

Finally, Mr. Speaker, Sir, the committee members noted that the Bill had some repetition in part VII clause 29 (5) and recommended deletion of clause 29 (5) subsection (i – p)

### **Public Views on the Bill**

Mr. Speaker, the members of the public proposed that the executive committee member should publish annually the list of all cooperative societies operating within the county to prevent the citizens being defrauded by illegal or foreign cooperatives.

Further, the members of the public proposed that the county assembly conducts a consultative meeting with all the stakeholders including transport SACCOs, farmers' cooperative societies, farmers associations, sand harvesting associations and financial SACCOs so that they do not say they did not participate or were not consulted hence prevent them going to court.

Finally Mr. Speaker, the public members proposed that the Bill be amended to include schedules like registration form, appeals forms and dissolution forms for members and cooperative.

### **Acknowledgement**

Mr. Speaker, Sir, the Agriculture and Cooperative 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 activities of the Committee and in preparation of this report.

Mr. Speaker, Sir, it is therefore my pleasant duty and privilege, on behalf of the Agriculture and Cooperative committee to table the Machakos county cooperative societies Bill, 2015 report to this honorable house for consideration. Thank you, Mr. Speaker Sir,

**Hon. Temporary Deputy Speaker:** Thank you and maybe the chairman, as you take your seat, on the part of public views on the bill, section 2, you are talking of further members of the public proposed that the County Assembly conducts a consultative meeting with all the stakeholders. I do not know maybe you can tell the house was that done?

**Hon. Muli:** Thank you Mr. Speaker, the bill was taken to public participation and also that was done. Thank you. Mr. Speaker.

**Hon. Temporary Deputy Speaker:** Okay, thank you. The floor now is open for debate. We welcome debate from all sides. I can see Hon. Nzoka, you want to say something?

**Hon. Nzoka:** Thank you Mr. Speaker. I was just trying to see there is something which I said it should be corrected, I do not know whether it has been corrected whereby, when election is done and maybe it is faulty, the way forward. How can they complain and who is the person to call the election. That is what I wanted to confirm because I have not gone through the.....if you have rectified, it is okay. Thank you.

**Hon. Temporary Deputy Speaker:** Okay, Hon. Nzoka. If it is not captured, in the committee of the whole house, that one can be dealt with adequately. Hon. Leader of Majority.

**Majority Leader (Hon. Mwonga):** Mr. Speaker, it is as if you have read my mind. I wanted to inform Hon. Nzoka that he should raise that matter at the committee of the whole

house. And Mr. Speaker, because you have given me this chance although I had not raised my hand, I want also to inform the Hon. House that the Speaker is watching this business live in his office. I have been there, even the Clerk and some members here are very busy with their handsets, I do not want to give names but I have watched live from the Speaker's office so members be careful, the Speaker is watching us. Thank you.

**Hon. Temporary Deputy Speaker:** Kindly, Hon. Leader of Majority, maybe you can give your contribution as per the bill is concerned. I understand you are a member of agriculture committee.

**Majority Leader (Hon. Mwonga):** Thank you Mr. Speaker. I am a member of this committee and as the Chairman was presenting the report of this committee, I was not in. I have not gone through the report but I think when we were in Mombasa, we were taken through the bill by the legal officer and I want to say this is a very good bill and it will bring harmony in running of the cooperative societies in our County. Thank you.

**Hon. Temporary Deputy Speaker:** Thank you. Hon. Benedetta Mueni.

**Hon. (Ms.) Mueni:** Thank you Mr. Speaker, Sir. I stand to support the report. The report is very clear, so I think the house should adopt the report very quickly because it was very clear and everybody has heard and as the Majority Leader has said, the members have to be very serious with this work of this County because we are letting the County down because you can see the members are very few in the house and I do not know why you will demand for the salary when you have not been coming to the assembly. Thank you, Mr. Speaker, Sir.

**Hon. Temporary Speaker:** Kindly, members you have heard the member take a bet. Hon. Alex Kamitu.

**Hon. Kamitu:** Thank you very much Mr. Speaker, Sir. Mine is also to applaud the committee with their able chairman and my additional comments in this bill is that this is a wakeup call, Mr. Speaker, Sir, as you are aware for the past years, we have been having problems in running or governing of this cooperatives within the sub counties and for a good example, members are also aware, especially in regard to the coffee cooperatives, this is where our farmers have been getting problems by those members or the members of the electorate who by good chance, happen to be elected to run the cooperatives, they have been running these cooperative.

Now that we have gotten the bill, it is coming up as a guideline and I would also ask the committee for agriculture to be giving out maybe quarterly reports, where cooperatives within the sub-counties are not being run the way they are supposed to be run so that as a set example, so at least, members who have been elected by the electorate can know that we have the bill, people can be taken to court because before, Mr. Speaker, Sir, as I said members who have been elected by the electorate there have been running these societies as if it is their own entities.

So it is on this regard that I say the committee has done a good job and if the guidelines and the rules pertaining to the cooperative it is going to be followed, then our electorate are going to gain and we shall have no fights amongst the co-operative members because we have been experiencing some scenarios where some fracas and some friction happen because of poor governance. So it is on the same strength that if this bill is going to be carried the way it is supposed to and the bylaws are carried out, then we shall have a smooth running of the cooperatives within our sub-counties. Thank you Mr. Speaker, Sir.

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

**Hon. Munyao:** Thank you Mr. Speaker, Sir. I start by applauding the committee on agriculture where I am a member and Mr. Speaker, I congratulate my committee for the good job they have done. Mr. Speaker, I think with these guidelines, especially in by-laws where our societies are being crippled because of poor by-laws. I think Mr. Speaker, with these by-laws which we have now, our societies will be run in a proper manner. Mr. Speaker, as I stand here I have a cooperative called New Mitaboni and because of poor by-laws, today they are in court.

Last week, they were in the CEC member's office and I think with these new guidelines and by-laws I think they will put their societies in place so I think our request to the executive to do implementation. As we adopt this report, the executive should ensure the rules and regulations are implemented in our societies for better running. Thank you, Mr. Speaker, Sir.

**Hon. Temporary Deputy Speaker:** Thank you Hon. Member. Hon. Rachel Nduku.

**Hon. (Ms.) Nduku:** Thank you Mr. Speaker. My concern is on the public views on the bill where the committee has said, in the second paragraph, further the members of the public proposed that the County Assembly conducts a consultative meeting with all the stakeholders including transport SACCOs, farmers' cooperative societies, farmers associations, sand-harvesting associations and financial SACCOs, so that they do not say they did not participate or were not consulted hence prevent them going to court.' My question is; we all know how the meetings are attended by our public and majorly the targeted Sacco's and associations, I am not sure whether even when we conduct consultative meetings, whether whatever we will discuss with them concerning the bill we will be assured that we will prevent them from going to court. It is their democratic right.

If they want to go to court we have no choice to prevent them and having consultative meetings with them does not mean it will prevent them from going to court and this bill stands for itself. There is nothing wrong with that. So I do not know whoever wrote this having consultative a meeting with all these people does not mean that the consultative meetings will be to prevent them from going to court. They can go to court for their own things but not from whatever is in the bill. So my concern was in that paragraph. Thank you, Mr. Speaker.

**Hon. Temporary Deputy Speaker:** Thank you Hon. Member and I think at the begging I raised the same issue the chairman indeed confirmed to the House that the public participation was done to the effect of this bill. It is their constitutional right and going to the court, we cannot prevent anybody, if at all you are aggrieved. Thank you. Hon. Joseph Itumo.

**Hon. Itumo:** Thank you, Mr. Speaker. I stand here to support this particular bill in the sense that it is the bill that went to public participation and the members of the public aired their views and that is when we came up, or the concerned committee, with this particular bill. As you may know the place I come from, it is has a good climate of coffee production and I can call it a zone for coffee production that has been yielding a very high production and Mr. Speaker, you may not imagine, people from Kangundo sub-county had started even uprooting the crop.

A crop that made us go to school, a crop that made the standards of Kangundo people to be high, sometimes in 1970s, and that crop being the mother of wealth in Kangundo, had started being uprooted. Now I stand here to support because I know this particular bill will give clear guidelines to these cooperatives. Mr. Speaker, I must applaud the committee because actually they came up with a very good bill and I know we are going to pass this bill for the good of our people, Mr. Speaker. In future, I hope the standards of the cooperatives will be revived and at their best, Mr. Speaker. Thank you, Mr. Speaker.

**Hon. Temporary Deputy Speaker:** Thank you. Chairman for finance Hon. Oliver Nzeki

**Hon. Nzeki:** Thank you Hon. Speaker. I congratulate the chairman for bringing a very good report and on page 3 ‘further the committee observed that the bill had not provided for county register of co-operatives.’ I think it should not be County register it is supposed to be county registrar of co-operatives. Registrar not registers. If you put register it will be just a paper you register. Page 3. I think it should be registrar of co-operatives, page 3. Further, page 3, the first paragraph, Yes, I think it is second paragraph, Mr. Speaker. I think it should read County Registrar of co-operative societies.

**Hon. Temporary Deputy Speaker:** Maybe Hon. Oliver Nzeki, maybe you can take us through the whole clause. Maybe you can take us through the whole clause from where we have.

**Hon. Nzeki:** It is clause 12, can somebody check on clause 12 and read. Yes.

**Hon. Temporary Deputy Speaker:** Kindly, you can take us what is contained in the report. I can see you have a copy of the report.

**Hon. Nzeki:** Thank you, Mr. Speaker. I have problem in reading and that is why I have said somebody to read for me clause 12.

**Hon. Temporary Deputy Speaker:** Hon. Nzoka maybe you can assist the member.

**Hon. Nzoka:** Thank you. He just pointed to me where this second paragraph in the page he said that is starting with ‘further, the committee observed that the bill had not provided for county register of co-operative societies and recommended for clause 12 (2) to provide for the County register of co-operative societies into which shall be entered particulars of all registered cooperative societies including.....blah blah. So I think it is correct.

**Hon. Temporary Deputy Speaker:** Hon. Nzoka you can resume your seat. Resume your seat.

**Hon. Nzeki:** Mr. Speaker, I am talking of registrar of co-operative societies but not county register. It should not read county register, it is supposed to read county registrar of societies.

**Hon. Temporary Deputy Speaker:** Maybe can we have the Leader of Majority.

**Majority Leader (Hon. Mwonga):** Mr. Speaker, the issue which is being raised by Hon. Member for Mua is true. The clause, that is clause 12 (2), should provide for county registrar of co-operatives, not a register because I think a register is just a book and we cannot have an act which is just talking about a book. Once we create that office, the officer holding that office, will know the books he will have but it should not be captured in the bill. It is the office of the registrar, Registrar of co-operatives but not register of co-operatives. I want to agree with him.

**Hon. Temporary Deputy Speaker:** Can we hear the chairman.

**Hon. Muli:** Thank you, Mr. Speaker. I have already heard very well about the concern of the Hon. Member from Mua ward and Mr. Speaker, when it comes to issues in terms of register it is just a book and sure enough, it should be from the registrar book, not register, Mr. Speaker--

**Hon. Temporary Deputy Speaker:** So it is a typing error. We have county registrar.

**Hon. Muli:** Maybe, Mr. Speaker, I believe maybe it is a typing error.

**Hon. Temporary Deputy Speaker:** Agreed. Can we have Hon. Mary Ndinda.

**Hon. (Ms.) Ndinda:** Thank you Mr. Speaker, Sir. I think as we can check on the same issue, we can see there are some names or words that are just below after this, if you can allow me, I will read it. ‘That further, the committee observed that the bill had not been provided for County register of cooperative societies and recommended for clause 12 (2) to provide for the county register of cooperative societies into which shall be entered particulars.’

I want you to note that issue of ‘entering some particulars of all registered cooperative societies including the things which should be entered into or the documents which should be recorded.’ These are the details of what is supposed to be recorded in the register. The name of

the co-operative society, physical address of its offices, nature of business, number of members and such other particulars as the director may determine. Mr. Speaker, Sir, I think this information should be entered in a register not given to a registrar. Thank you. Mr. Speaker.

**Hon. Temporary Deputy Speaker:** Hon. Members, I understand you have copies of the bill and Hon. Members if you go to clause 12, that is in the bill, page 74, it is providing of a cooperative society to be a body cooperate but it is only 12 (1) so what the committee is intending is to create clause 2 which now will establish the register and that matter will dealt with in the committee of the whole house because if you look at the bill, we do not have clause 12 (2). Clause 12 (2), is not there so we understand the essence of the committee, they are introducing a new clause. That will be clause 12(2) to create a register under the cooperative society to be a body cooperate. Maybe, chairman I think that is your take. So we can proceed? Yes we can have Hon. Nzoka again.

**Hon. Nzoka:** Thank you Mr. Speaker, Sir, and I appreciate now we have come to a good direction. You know English is a foreign language. The way it was put here, if you go to Mombasa and get *tuk tuk*, if you see the number of *tuk tuk* which is written there by the county, if you Google it, the way they Google you will get details of that person even when he was born and where he was born. So the committee was wise enough to get full details of Mueni cooperative society, how it came up, what their by-laws, the details of the society and that is the way they are again.

When you go down, they are saying it should be published yearly, to know whether there are some which have been deleted or the others which have increased because now we can start a society, just in the bush and we start getting money from people. So if we say, I have a society this and this, you have to check to confirm from the registrar whether that one exist or does not exist, so I think the clause which is being added there is of much essence. Thank you.

**Hon. Temporary Deputy Speaker:** Thank you, Hon. Member. Hon. Members, we can hear the chairman because I think we are on consensus with the report. Then we convert to the committee of the whole house.

**Hon. Muli:** Thank you, Mr. Speaker. Mr. Speaker, Sir, I hereby propose that the house turns into the committee of the whole house to discuss the bill. Thank you, Mr. Speaker, Sir.

**Hon. Temporary Deputy Speaker:** Hon. Members, I will heed the request of the chairman and I proceed to put the question. The house can convert into the committee of the whole house.

*(Question proposed)*

*(Question put and agreed to)*

*(The Bill was read a Second Time and committed to a Committee of the whole House today by leave of the House)*

### COMMITTEE OF THE WHOLE HOUSE

*(Order for Committee read)*

*[The Temporary Speaker left the Chair]*

### IN THE COMMITTEE

*[Madam Chairperson (Hon. Jacqueline Nziva) took the Chair]*

MACHAKOS COUNTY CO-OPERATIVE SOCIETIES BILL, 2015

**Madam Chairperson:** Thank you members for being left in the committee of the whole house. I welcome you to contribute wisely. This is a good bill. Let us have positive contribution. Clerk, can you proceed.

*(Clause 2 agreed to)*

*(Clauses 7, 8, 9, 10, 11, 13, 15, 17, 19, 20, 22, 23, 24, 25, 27, 28, 29, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 44, 45, 47, 48, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 80, 81, 82, 84, 85, 86 and 87)*

### **Clause 3**

Insert the word 'county' immediately before the word 'director' in sub-clause 1 of clause 3. Delete the phrase 'including deputy directors' from sub-clause 2 of clause 3. Delete sub-clause 3 of clause 3 and substitute therefore the clauses 'the director shall be responsible to the county executive member for the growth, development and regulation of co-operative societies and shall in particular:-

- a) Process applications for registration of co-operatives.
- b) Supervise and inspect co-operatives societies to ensure compliance with the law.
- c) Maintain the register of co-operative societies within the county.
- d) Supervise dissolution division or amalgamation of a co-operative society; perform such other functions as maybe assigned to the office under this act or by the county executive committee member.'

*(Question of the amendment proposed)*

*(Question that clause 3 be amended as proposed put and agreed to)*

**Clause 4**

Delete the phrase ‘union or an apex society can only be registered with limited liability’ appearing after the word ‘co-operative’ and substitute therefore the phrase ‘society may be registered under this act either as.’

*(Question of the amendment proposed)*

*(Question that clause 4 be amended as proposed put and agreed to)*

**Clause 5**

Delete the word ‘ten’ from sub-clause (a) of clause 5 and substitute therefore the word ‘fifteen.’

*(Question of the amendment proposed)*

*(Question that clause 5 be amended as proposed put and agreed to)*

**Clause 6**

Delete sub-clause 3 of clause 6 and substitute therefore the following sub-clause 3 ‘the director shall within two months from the date of receipt of an application, (a) register the society or (b) reject the application and give written reasons for rejection.’

*(Question of the amendment proposed)*

*(Question that clause 6 be amended as proposed put and agreed to)*

**Clause 12**

Delete the word ‘and’ from paragraph (d) of clause 12 appearing after the words ‘borrowing money.’

*(Question of the amendment proposed)*

*(Question that clause 12 be amended as proposed put and agreed to)*

**Clause 14**

Insert the phrase ‘employment occupation’ to paragraph (a) of clause 14 immediately after the word ‘persons’ and before the word ‘profession.’

*(Question of the amendment proposed)*

*(Question that clause 14 be amended as proposed put and agreed to)*

**Clause 16**

Delete the phrase ‘of that co-operative society’ appearing after the words ‘general meeting’ in clause 16.

*(Question of the amendment proposed)*

*(Question that clause 16 be amended as proposed put and agreed to)*

**Clause 18**

Delete clause 18 and substitute therefore the following clause:-

1. A person shall not be a member of more than one co-operative society (a) with unlimited liability or (b) having the same or similar object.’
2. Despite sub section one a person may be a member of co-operative society which carries on a business on land or at premises outside the area of operation of that co-operative society in whose area of operation that land or the premises are situated, notwithstanding that its objects are the same as or similar to those of the other society.’

*(Question of the amendment proposed)*

*(Question that clause 18 be amended as proposed put and agreed to)*

**Clause 21**

Delete the words ‘shall have’ from clause 21 appearing after the words ‘society’ and before the words ‘the five rights to’ and substitute therefore the word ‘has.’ Delete the word ‘and vote’ from paragraph (a) of clause 21. Delete the expression ‘all legitimate information relating to the society’ in paragraph (d) appearing before the word ‘including’ and substitute therefore the expression ‘access information relating to the society.’

*(Question of the amendment proposed)*

*(Question that clause 21 be amended as proposed put and agreed to)*

**Clause 26**

Delete sub-clause 10 ‘the directors may preside at any meeting convened under sub section 8.’

*(Question of the amendment proposed)*

*(Question that clause 26 be amended as proposed put and agreed to)*

**Clause 31**

Delete the term ‘as amalgamating society’ in sub-clause 1 of clause 31 appearing after the word ‘co-operative societies’ and before the words ‘may by.’

*(Question of the amendment proposed)*

*(Question that clause 31 be amended as proposed put and agreed to)*

**Clause 60**

Delete clause 60 and substitute therefore the clause 2 ‘the director may order an inquiry or in writing direct any person to hold an inquiry; (a) on the direction of the committee executive member or (b) on the application of not less than one thirds of the members present and voting at a meeting of the society or (c) on the application of the liquidator or of any creditor.

The inquiry under sub-section 1 may inquire into:-

(a) The laws working and financial conditions of any co-operative society or  
(b) The contact of any person who has taken part in the organization or management of a co-operative society or any past or present officer or member of the society.

2. All officers and members of the co-operative society shall produce such cash accounts, books, documents and securities of the society and furnish such information in regard to the affairs of the society as the persons holding the inquiry may require.
3. The director shall report the findings of the inquiry at a general meeting of the society and shall give directions for the implementation of the recommendations of the inquiry report.
4. Where the director is satisfied after due inquiry that the committee of a co-operative society is not performing its duty properly, the director may dissolve and call to be appointed an interim committee consisting of not more than five members from among the members of the society for a period not exceeding 90 days.
5. Any person found to have misapplied or retained or become liable or accountable for any money or property of the society or has been guilty of .....(*Inaudible*) or breach of trust in relation to the society, may if the director so directs, be required to pay or restore the money or property or any part therefore to the co-operative society together with interest.
6. This section shall apply notwithstanding that the act or default by reason of which the order is made may constitute an offence under another law for which the person has been prosecuted or is being or is likely to be prosecuted.’

*(Question of the amendment proposed)*

*(Question that clause 60 be amended as proposed put and agreed to)*

**Clause 61**

Delete the words ‘if he thinks fit and by him’ from sub-clause 1 of clause 61. Delete paragraph (a) and (b) of sub-clause 1 of clause 61 and substitute therefore the following;

(a) The creditor satisfies the director that the debt is a sum then due and that creditor has demanded payment thereof and has not received satisfaction within a reasonable time and

(b) The applicant deposits with the director such sum as security for the expenses of the inspection as the director may require.’

*(Question of the amendment proposed)*

*(Question that clause 61 be amended as proposed put and agreed to)*

**Clause 71**

Delete the phrase ‘at his discretion’ from paragraph (e) of sub-clause 1 of clause 71.

*(Question of the amendment proposed)*

*(Question that clause 71 be amended as proposed put and agreed to)*

**Clause 79**

Delete the phrase ‘it shall be referred to the tribunal’ from paragraph (c).

*(Question of the amendment proposed)*

*(Question that clause 79 be amended as proposed put and agreed to)*

**Clause 83**

Delete the word ‘Machakos’ from sub-clause 2 of clause 83.

*(Question of the amendment proposed)*

*(Question that clause 83 be amended as proposed put and agreed to)*

**Deletion of Clauses**

*(Question of the deletion proposed)*

*(Question that clauses 33, 43 and 55 be deleted as proposed, put and agreed to)*

**New Clauses*****Clause 4***

Insert the following new provision as relates to the application of the Act.

- 1) Subject to sub section 2, this act shall apply to all co-operative societies operating within the county. This act shall not apply to deposit-taking co-operative societies which the Sacco Act applies.

*(Question of the new clause proposed)*

*(New clause read the First Time)*

*(Question, that the new clause be read a Second Time, proposed)*

*(Question, that the new clause be read a Second Time, put and agreed to)*

*(The new clause was read a Second Time)*

*(Question that the new clause be added to the Bill, put and agreed to)*

***Clause 5***

Insert the following new provision before clause 3 'the executive committee member shall be responsible for the growth and development of a co-operative society in the count and shall in particular;

- a) Develop and oversee the implementation of county co-operative society's policies and strategies.
- b) Promote good governance in co-operative societies.
- c) Provide liaison with national government on matters relating to co-operative societies.
- d) Advise the county on matters relating to the co-operatives.
- e) Authorize the cancellation of licenses or deregistration of co-operative societies subject to the provisions of this act.
- f) Issue guidelines and regulations to facilitate growth and regulation of co-operative societies a
- g) Perform such other functions as maybe assigned to the office under this act.

*(Question of the new clause proposed)*

*(New clause read the First Time)*

*(Question, that the new clause be read a Second Time, proposed)*

*(Question, that the new clause be read a Second Time, put and agreed to)*

*(The new clause was read a Second Time)*

*(Question, that the new clause be added to the Bill, put and agreed to)*

### **Clause 6**

Insert the following new provisions immediately after sub-clause 2 of clause 4,

a) 'limited liability co-operative society which shall be a co-operative society limited by shares or

b) Unlimited liability co-operative society which shall be a society where members liability is limited to the extend set out by the bylaws.

3) A co-operative union or an apex society may only be registered with limited liability.

4) Two or more co-operative society may apply to amalgamate and form one co-operative society subject to compliance with the regulations on amalgamation prescribed in accordance with this act.

5) The co-operative society may apply to divide into two or more co-operative societies subject to compliance with the prescribed regulations under this act.

*(Question of the new clause proposed)*

*(New clause read the First Time)*

*(Question, that the new clause be read a Second Time, proposed)*

*(Question, that the new clause be read a Second Time, put and agreed to)*

*(The new clause was read a Second Time)*

*(Question, that the new clause be added to the Bill, put and agreed to)*

**Clause 7**

Insert the following new provision after clause 12; ‘there shall be a county register of co-operative societies into which shall be entered particulars of all registered co-operative societies including:-

- a) The name of the co-operative society.
- b) Physical address of its offices.
- c) Nature of business.
- d) Number of members.
- e) Such other particulars as the director may determine.

3) A co-operative society registered under this act may establish branch or other officers other than its registered headquarters and file a notification of such establishment with the director subject to payment of requisite fees.

*(Question of the new clause proposed)*

*(New clause read the First Time)*

*(Question, that the new clause be read a Second Time, proposed)*

*(Question, that the new clause be read a Second Time, put and agreed to)*

*(The new clause was read a Second Time)*

*(Question, that the new clause be added to the Bill, put and agreed to)*

**Clause 8**

Insert the following new provisions immediately after sub-clause 11 of clause 26 (12) ‘for the purpose of this section, international accounting standards and international financial reporting standards means that the standards established by the Institute Certified Public Accountants of Kenya.

*(Question of the new clause proposed)*

*(New clause read the First Time)*

*(Question, that the new clause be*

*read a Second Time, proposed)*

*(Question, that the new clause be read  
a Second Time, put and agreed to)*

*(The new clause was read a Second Time)*

*(Question, that the new clause be added to  
the Bill, put and agreed to)*

**Clause 9**

Add the following new provision immediately after paragraph (i) of sub-clause 4 of clause 30, 'has served for two consecutive terms as a member of the committee.'

*(Question of the new clause proposed)*

*(New clause read the First Time)*

*(Question, that the new clause be  
read a Second Time, proposed)*

*(Question, that the new clause be read  
a Second Time, put and agreed to)*

*(The new clause was read a Second Time)*

*(Question, that the new clause be added to  
the Bill, put and agreed to)*

*(Schedule agreed to)*

*(Title agreed to)*

*(Clause 1 agreed to)*

**Madam Chairperson:** The mover of the motion.

**Hon. Muli:** Thank you Madam Speaker, I wish to move the motion that the committee does report its consideration of the Machakos County Co-operative Societies bill 2015 and its approval thereof with amendments.

*(Question proposed)*

*(Question put and agreed to)*

*(The House resumed)*

*[The Temporary Deputy Speaker [Mr. Raphael Mutuku] in the Chair]*

**REPORT AND THIRD READING**  
MACHAKOS COUNTY CO-OPERATIVE SOCIETIES BILL

**Hon. (Ms.) Nziva:** I put the question that the committee does report to the house its consideration of the Machakos County co-operative societies bill 2015 and its approval thereof with amendments.

**Hon. Muli:** Mr. Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Report.

**Hon. Ndolo** seconded.

*(Question proposed)*

*(Question put and agreed to)*

**Hon. Muli:** Mr. Speaker, Sir, Pursuant to Standing Order 131 (1), I wish to move that the Machakos County Co-operative societies bill 2015 be now read the Third Time. Thank you Mr. Speaker, Sir.

**Hon. Kavuu:** I stand here to second that the Machakos County Co-operative societies bill 2015 be now read the Third Time. Thank you, Mr. Speaker.

**Hon. Temporary Deputy Speaker:** Any contribution from the members? I can see we are in consensus with the bill. Maybe we can hear the chairman for agriculture and cooperative development.

**Hon. Muli:** Thank you Mr. Speaker, Sir. I would like to appreciate the committee of agriculture and the whole members of the house for good work which they have done. From the word go, we started this bill and it was a very voluminous bill which needed very attentive action

so that we can fine tune it to the final letter, Mr. Speaker, and Mr. Speaker, I appreciate the cooperation of the members. We did a lot with legal advice and as also requested, we also tried our level best to involve the other departments which are involved with the issues of the co-operatives and Mr. Speaker, and I believe we have done a good job.

With issues of co-operatives, it has been an alarming issue within our county and much of the corruption has been involved and named in co-operatives and I believe Mr. Speaker, having passed this bill, Mr. Speaker, it will make our co-operatives to be revived once again and also become worthy to our members and even the products which are been involved for formation of these co-operatives, Mr. Speaker, we believe they will be used and also the collection be worthy to our people.

Therefore Mr. Speaker, I appreciate. All in all, I am very happy and I believe and also assure the members that I will be very much concerned with this bill and make sure it has been implemented for the benefit of our people. Thank you. Mr. Speaker.

*(Question proposed)*

*(Question put and agreed to)*

*(The Bill was accordingly read the Third Time and passed)*

### **ADJOURNMENT**

**Hon. Temporary Deputy Speaker:** There being no other business, the house adjourns until the afternoon.

The House rose at 11.22 a.m.