

MACHAKOS COUNTY ASSEMBLY**OFFICIAL REPORT****Wednesday, 6th April, 2016**

The House met at 2.34 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
DISCHARGE OF MEMBERS FROM COMMITTEES**

Yes Hon. Members, there is further communication this afternoon. Hon. Members, Pursuant to Standing Order number 156 of the County Assembly of Machakos Standing Orders, I am in receipt of letter from Majority Whip giving notice of discharge of the following Members from various committees.

- Hon. Isaac Muinde discharged from the committee on budget and appropriation.
- Hon. Rachael Nduku discharged from the committee on budget and Appropriation.
- Hon. Phoebe Koki Mawa discharged from the Speaker's Forum.
- Hon. Peter Munywoki Nzoka discharged from the Speaker's Panel.

In the matter for Minority Party, additionally I am in receipt of a letter from the Minority Whip discharging Hon. Francis Matheka from the Ward Development Fund Committee. Therefore, Hon. Members take cognizance of these changes. Let us proceed.

MOTION**MACHAKOS COUNTY FISCAL STRATEGY PAPER FOR FY 2016/2017****Hon. Speaker:** Hon. Willy---

Hon. Kasimu: Mr. Speaker, Sir, I am a member of the Budget and Appropriation committee. Mr. Speaker, sir, aware that the County Treasury is mandated to prepare the County Fiscal Strategy Paper under section 117 of the Public Finance Management Act, 2012 and is further required to submit it to the County Assembly by February 28th each year and aware that the County Treasury submitted the 2016/2017 strategy paper to this Assembly on 26th February, 2016; Mr. Speaker pursuant to Standing Order 205(2), the County Fiscal Strategy Paper shall (a)

have been aligned with national objectives in budget policy statements and (d) shall have taken into account the views of the Commission on Revenue Allocation, the public, any interested persons or groups and any other forum that is established by legislation, Mr. Speaker, sir, I wish to move the motion that this Hon. House discusses and approves the County Fiscal Strategy Paper for the financial year 2016/2017. Thank you, Mr. Speaker. I call upon Hon. Sammy Nduva to second the motion.

Hon. Nduva: Mr. Speaker, Sir, I am a member of budget committee. Mr. Speaker, Sir, I stand to second the fiscal strategy paper for the fiscal year 2016/2017. Mr. Speaker, as a member of the budget committee, we have gone through the document and named the necessary scrutiny and, Mr. Speaker, we are assured the projections that are made in the document, Mr. Speaker, suit the County Government of Machakos in the Fiscal Year 2016/2017. Mr. Speaker, the Fiscal Strategy Paper is a document to project the intentions and what the Government prepares to do in the coming year so Mr. Speaker, I stand to second the motion as presented by Hon. Willy Mukewa. Thank you Mr. Speaker, Sir.

Hon. Speaker: Thank you, the motion is now before the House. We will urge the mover to take us through the paper.

Hon. Kasimu: Thank you, Mr. Speaker. Mr. Speaker, Sir, on behalf of the members of Budget and Appropriation committee and as required under Standing Order 186 on the mandate of the committee, the County Fiscal Strategy Paper, 2016 was forwarded to the County Assembly on 26th February, 2016. This is in line with section 117 of the Public Finance Management Act, 2012 that requires the County Fiscal Strategy Paper to be forwarded to the Assembly by 28th February each year. The County Fiscal Strategy Paper was committed to the Budget and Appropriation committee on 1st March, 2016. Upon receiving the Fiscal Strategy Paper, the committee carried out public participation across the County and invited memoranda from stakeholders.

Further, Mr. Speaker, the Committee proceeded to analyze and scrutinize the document with a view of reporting to this Hon. House on the projects and programs proposed for funding in the County budget estimates for the Financial Year 2016/17. Mr. Speaker, the current membership of the budget and Appropriation committee is as follows:-

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|--------------------------------|---------------|
| 1. Hon. Isaac Muinde | Chairperson |
| 2. Hon. (Ms.) Rachael Nduku | V/Chairperson |
| 3. Hon. Charles Mutisya | Member |
| 4. Hon. (Ms.) Christine Mwendu | ” |
| 5. Hon. John Sila | ” |
| 6. Hon. (Ms.) Ruth Ndumi | ” |
| 7. Hon. Renson Muthiani | ” |
| 8. Hon. Sammy Nduva | ” |
| 9. Hon. Wilson Kasimu | ” |

Mr. Speaker, Sir, the Budget and Appropriation committee is established under Standing Order 186(1) and is mandated under Standing Order 186(3) to: -

- a) Inquire into and report on all matters related to the coordination, control and monitoring of the county budget.
- b) Discuss and review the estimates and make recommendations to the assembly.
- c) Examine the budget policy statement and presented to the house.
- d) Examine bills related to the county budget including appropriation bills.
- e) Evaluate tax estimates, economic and budgetary policies and program with direct budget outlays.

Mr. Speaker, Sir, the County Fiscal Strategy Paper sets out broad strategic priorities and goals that should guide the budget estimates for the financial year 2016/2017. It provides a platform for the review of the proposed activities in light of the challenges and opportunities for the county and offers the government an opportunity to adjust its expenditure and revenue along more crucial activities to deliver better services to the citizens of Machakos.

Mr. Speaker, Sir, the Public Finance Management Act, 2012, section 117(6) states that not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments. Further Mr. Speaker, the Public Finance Management Act, section 117 (7) states that the County Treasury shall consider any recommendation made by the County Assembly when finalizing the budget proposal for the financial year concerned.

Mr. Speaker, Sir, it is worth mentioning that once approved by this Hon. House, the County Fiscal Strategy Paper 2016/2017 will inform the preparation of the annual estimates and by extension it should form a basis of evaluating the 2016/2017 budget estimates for the various spending agencies. This is therefore the most important stage in the budget making process as it provides recommendations to be considered when preparing the 2016/2017 budget and sets the expenditure ceilings for the various spending government agencies. Hon. Members should therefore debate and propose further amendments on the proposed projects and programs which would be possible to amend in the financial year 2016/2017 budget.

Mr. Speaker, Sir, it is important at this point to mention that the County Executive has gone ahead to carry out public participations on budget estimates for financial year 2016/2017 across the county which should be informed by the County Fiscal Strategy Paper. The Ward Development Fund which was not in the Fiscal Strategy Paper is not in the said budget estimates, neither the proposed projects related to the Ward Development Fund.

Mr. Speaker, Sir, the committee invited participation of the public on Monday 21st March, 2016, through public hearing in all the eight sub-counties to receive their views and recommendations in line with Article 196 (1b) of the Constitution as per Standing Order 120 (3).

Views from Machakos Central

Mr. Speaker, Sir, on page 9 clause (2) of the Fiscal Strategy Paper, members of the public reported that the executive arm of the government did not engage the members of the public to

get their opinion on the needs of Machakos residents before preparing the Fiscal Strategy Paper 2016/2017.

Under the accessibility to quality and affordable health service in page 19 clause 48, it was reported that, most residents of Machakos County cannot afford the services at level 5 hospital which are very expensive for the common man hence there is a perennial shortage of the drugs at health facilities and further recommend for allocation of additional Ksh. 100 Million for the drugs.

In Clause 49, Mr. Speaker, the members of the public recommended for publication of the current work register, reduction of the current workforce by quarter, remission of the already deducted county workers dues by NHIF, NSSF, unions and PAYE (KRA) and finally recommended for employment of more nutritionist and (80) community workers. In page 21 under access to water and sanitation, Mr. Speaker, members of the public recommended for the reduction of the number of boreholes by half because the county will be a desert and focus on rain water harvesting and purchase of more water tanks with the money for vulnerable households Kshs. 1 billion

Mavoko Sub County

Mr. Speaker, Sir, the members of the public in Mavoko Sub- county recommended the following:-

1. That the program of the Machakos city should not be funded since it was not a priority according to them
2. That the police dogs should not be funded but instead be sold since the security is a national function but not a devolved function
3. That the police cars should not be fueled and maintained with county funds since security was a national function
4. That the forensic laboratory was not a priority and should not be funded since it was a national function
5. That the provision of security infrastructure covering police housing and police posts be scraped and should be funded since it was a national function
6. That the provision of police gun detectors and alcohol blow devices be also scraped since it was a national function
7. That the free tractor program was not sustained and should be offered to a certain fee to make it sustainable and beneficial to Machakos residents
8. That installation of road signage's , market information signs and highway directional signage's to inform traffic and pedestrians under clause 45(x) be deleted since it was a function of the National Highways Authority and that the program should not be funded

Matungulu Sub County

Mr. Speaker, Sir, the members of the public from Matungulu sub - county recommended that the money set aside for the office of the Governor under development expenditure be reduced by Kshs. 20 Million and be taken to the department of education, youth and social welfare for the development and also for the sake of the youths. It was also reported that health is

a priority and therefore members of the public recommended Kshs. 100 Million from the department of decentralized units be moved to the department of health and emergency services

Masinga Sub County

Mr. Speaker, Sir, the public was concerned that there was no allocation for the Ward Development Fund and proposed that ministries that had been allocated a lot of funds be reduced in order to accommodate the Fund. These were the proposals:-

Ministry	CFSP ceiling 2016/17	Proposed ceiling
Trade, investments, economic planning and industrialization	355,501,437	300,501,437
Decentralized units	1,073,657,685	700,657,685
Agriculture, Livestock, fisheries, lands and urban development	687,844,298	300,844,298
Water and Irrigation	1,928,741,934	1,300,741,934
C.P.S.B	66,920,106	50,920,106
Tourism, sports and culture	345,897,129	300,897,129

1. That the Transport, roads, public works and housing ministry should be allocated more funds to construct more roads.
2. That the number of polytechnics should be increased by funding the Ministry of Education adequately.
3. That the department of Agriculture should be allocated funds in order to eradicate poverty in the County.

Yatta Sub County

Mr. Speaker, Sir, in clause 49 (b) of the County Fiscal Strategy Paper, investing in quality early childhood education and empowerment of the vulnerable groups in the society; members of the public from Yatta sub county recommended that the Machakos County Social Welfare Board (MSWEB) be revived to support women, youths, elderly and other vulnerable groups by allocating Kshs. 200 Million as per clause 51.

Kangundo Sub County

Member of the public from Kangundo Sub County proposed the following on the County Fiscal Strategy Paper:-

1. Drainage and lighting of local markets should be budgeted for and implemented in the Financial Year 2016/2017 budget.
2. The ward development fund should be increased to Kshs.40million per ward and implementation keenly monitored.
3. Recruitment of Extension officers to educate farmers on sustainable agricultural practices.
4. The department of Education and Social Welfare should be well funded so that ECD teachers can be recruited

5. The public was concerned that as much as funds were allocated for bursaries nothing had been disbursed so far.

Kathiani Sub County

The members of Kathiani Sub County complained that the county government had underperformed in the previous budgetary allocations and therefore there was no need of giving the various departments money on grounds of non-performance.

Mwala Sub- County

Members of the public, Mr. Speaker, said that the office of the Deputy Governor has been inactive and therefore recommended the money set aside for the office of the Governor be reduced to Kshs. 40 million for development expenditure and Kshs. 215 million for the recurrent expenditure. They proposed that the Ward Development Fund be allocated Kshs. 25 million per ward and the ECDE expenditure be retained to recruit ECDE teachers and pay polytechnic instructors.

Report of Assembly Committees on Related Departments

Mr. Speaker, Sir, the sectoral committees of this Hon. House interrogated the executive committee members and the Chief Officers of the related departments and received the following presentations:-

The Office of the Governor

Mr. Speaker, Sir, the executive committee member was questioned on the high expenditure in the office of the Governor, aware that the office of the Deputy Governor was the least active. The executive committee member informed the joint committee that the Deputy Governor was well funded and expenditure incurred. The minister agreed with the members' suggestion to create a dependent account, for the office of the Governor. The executive committee member did not provide significant details on development expenditure allocated to that office.

Department of Public Service, ICT, Labor and Cooperative Development

Mr. Speaker, the committee was informed that development expenditure was to cover insurance and CCTV cameras installation. The department had further requested an increase to the recurrent account to cover workers' insurance, pensions, staff training, mortgage and car loan fund for staff. Mr. Speaker, the pending bills for the department amount to Kshs. 232,637,564; that includes staff arrears amounting to Kshs. 155,000,000.

Department of Trade, Investment, Economic Planning and Industrialization

Mr. Speaker, Sir, the committee was informed that a few projects by the department were complete, others were partially done, yet others were still to start. The stalled projects were allocated funds in the 2015/2016 budget yet there was no status report. The committee on trade and planning expressed that the department has fully failed to perform as expected. The

committee has requested for reports including salary details and pending bills for the department that were never availed. Further Mr. Speaker, the committee agreed that the Ward Development Fund be retained in the department with an independent account from that of the department's development account.

Department of Decentralized Units, County Administration and Energy

Mr. Speaker, Sir, the committee was informed that the department had only 90 inspectors in the IPPD payroll with appointment letters and 395 inspectors who were irregularly employed and in the Excel payroll. The department's pending bills amount to Kshs. 360 million. These include unpaid salaries amounting to Kshs. 198 million, pending bills of suppliers and contractors without LSOs or LPOs amounting to Kshs. 94 million and pending bills of suppliers and contractors with LSOs or LPOs amounting to Kshs. 68 million.

Mr. Speaker, Sir, the department has an additional pending bill of Kshs. 19 million being referred to as development pending bill and had requested for Kshs.298 million for the various projects that include refurbishment of offices, musical instruments for the inspectorate music band, purchase of vehicles and construction of ward offices.

Department of Agriculture, Livestock, Fisheries, Lands and Urban Development

Mr. Speaker, Sir, the department of lands plans to procure land for health facilities at Mumbuni, Mutituni, Mwala and an open land to excavate murram and ballast. The department of planning and urban development is finalizing planning and survey of the Machakos City pending bills amounting to Kshs. 33,960,782.

Mr. Speaker, Sir, the department of agriculture has various ongoing projects which were not disclosed. The pending bills of the department amount to Kshs. 75,586,518 that include supply of tractors amounting to Kshs. 32,160,000, supply of seeds amounting to Kshs. 9,574,000, supply of animal feeds amounting to Kshs. 6,951,652, supply of chicks amounting to Kshs. 2,523,000, supply of fish amounting to Kshs. 1,200,000 and vaccines amounting to Kshs. 3,197,500. Mr. Speaker, the committee was informed that the department has exhausted the financial year 2015/2016 budget without any meaningful development.

Health, Environment and Emergency Services

Mr. Speaker, Sir, the committee was informed that the department's recurrent expenditure was underfunded. The expenditure on drugs and medical supplies is under the recurrent account. The department intends to recruit medical staff in the financial year 2016/2017. The pending bills for the suppliers and contractors amount to Kshs. 300,000,000.

Transport, Roads, Public Works and Housing

Mr. Speaker, the committee was informed that the department had undertaken various projects that include tarmacking of roads, new city roads, grading of ward roads, housing works, ongoing community health centres and the ongoing new County Assembly offices block. The pending bills for the department amount to Kshs. 850,272,789.

Department of Education Youth and Social Services

Mr. Speaker, Sir, the committee was informed that the department paid for construction of classes during the year and procured ICT equipment, educational materials, swings and trial exams for secondary and primary schools. The department did not recruit ECDE teachers or complete ECDE classes and did not refurbish youth polytechnics. The department further required more funding for financial year 2016/2017 to recruit ECDE teachers and refurbish youth polytechnics. Mr. Speaker, sir, the committee was informed that the department had pending bills amounting to Kshs. 116,961,338.

Department of Water and Irrigation

Mr. Speaker, Sir, the committee was informed that the department had drilled 127 boreholes out of which only 57 were operational. The department has rehabilitated 28 boreholes, done 156 dams, 51 weirs, 34 tanks to schools and 100 tanks to public institutions. Mr. Speaker, the projects that were not done by the department as projected include 349 boreholes, 344 dams and 366 weirs occasioned by slow procurement procedures. The department's 2015/2016 allocated funds have been exhausted with a balance of Kshs. 50 million for the recurrent expenditure of Kshs. 1.1 billion for the development. Mr. Speaker, sir, the department has pending bills amounting to Kshs. 126,950,744.

Department of Tourism, Sports and Culture

Mr. Speaker, Sir, the committee was informed that the department had spent the 2015/2016 allocated funds on management and development of sports and sports facilities, heritage and culture, liquor management, recreational services, county image directorate and Machawood projects. Mr. Speaker, sir, the department has pending bills amounting to Kshs. 202,225,447.

County Public Service Board

Mr. Speaker, Sir, the committee was informed that out of the Kshs. 80,024,292 allocated funds for 2015/2016, Kshs. 27,489,554 has not been released to the department. The department ceiling for the financial year 2016/2017 is Kshs. 66,920,106 and requests for more funds to cater for the staff audit, public participation, CCTV cameras and security, purchase of van and fuel, maintenance and driver expenses and purchase of computer and computer accessories. Mr. Speaker, the department has pending bills amounting to Kshs. 7,463,388

Observations

Mr. Speaker, Sir, Section 117(2) of the PFM Act, 2012 requires counties to align their County Fiscal Strategy Paper with the national development objectives. The committee observed that the mechanism to ensure that development strategies are aligned with those of the national government is lacking. Therefore, achieving the strategic priorities envisioned in the County Fiscal Strategy Paper in the financial year 2016/2017 may be a big challenge. When such information is lacking, it makes it difficult for members of this Hon. Assembly to make informed

decisions on the budget process. For example county departments are not in line with national ministries.

Mr. Speaker, Sir, the County Department of Finance subjected the County Fiscal Strategy Paper, 2016 to public participation. The participation may not have been direct but through the internet website interaction. If indeed the public were consulted in line with the principles of public participation, and as contained in section 25(5) & (6) of the Public Finance Management Act 2012, the committee observed that the said instruments are not well established and appropriate to use within the county to carry out the exercise.

Mr. Speaker, Sir, the Public Finance Management Act, 2012 section 123(1) requires that the County Treasury submits the County Government Debt Management Strategy Paper to the County Assembly on or before 28th February each year setting out the debt management strategy of the county government over the medium term with regard to its actual liability and 123(2) sets out the information required in the statement. The debt management strategy paper has never seen the light of the day since devolution. The treasury further has never forwarded the Annual Development Plan to this Hon. Assembly as required by law.

Mr. Speaker, the committee observed that the county owes contractors and suppliers over Kshs. 2.3 billion which was not authorized borrowing as it was not approved by this Hon. House. Mr. Speaker, this House must put measures in place to restrict the county government from borrowing through the procurement procedures. Every program and project of this county government has been well budgeted for and allocated funds yet members of public complained of many incomplete programs and this is proven by the second budgeting for the same previously budgeted and funded projects, not forgetting that the contractors have petitioned the county government for non-payment of their dues.

Mr. Speaker, Sir, the committee also observed that several programs have been reintroduced with no explanation and on that what happened to the funds allocated with the previous years including whether the targets and outputs were achieved or the percentage of accomplishment. The department of Education seeks to expand and renovate ECDE centers, the construction of the classes were budgeted in 2014/2015 budget and the status of completion should be forwarded to the Assembly before any further allocation to the exercise.

Mr. Speaker, Sir, any measures put in place for the economic development and outlook must be measured within a specified period. The expected economic growth has not been stated both for the current and past period. Mr. Speaker, sir, the risks of the outlook paper are based on delay of equity share, shortcomings on revenue collection. The equity share, after delay is often fully received before end of each year. The deficit in the previous years is not comparable to the pending projects and contractors' debts which reflect greater amounts.

Mr. Speaker, Sir, the risk on the outlook is also based on revenue collection and fails to disclose the expenditure and performance which have a great risk on non-achieved targets thus previous incomplete and white elephant projects which pose a greater risk, are ignored and may remain in the same status for many years. All incomplete projects should be budgeted for and completed. The previous projected expenditure versus actual incurred expenditure is per the budget estimates and should be provided in reallocating more funds to the incomplete projects.

Mr. Speaker, Sir, the Public Finance Management Act section 58(2)(a) states that a national entity may borrow only for capital projects. The County has borrowed to the range of Kshs. 2.5 billion from the public through unpaid contracts and supplies. Mr. Speaker, the most awful part in this kind of borrowing is that the contractors and the suppliers are never paid interest on delayed payments of their suppliers, and the borrowing was never approved through this Hon. House. Mr. Speaker, borrowing by procuring without paying for programs that this Hon. House appropriated in the budget discloses a loop (hole) within the implementation process of the county projects.

Mr. Speaker, Sir, the committee is aware of the El-Niño emergency expenditure amounting to Kshs. 300 million was deviated from budgeted programs above the budgeted emergency kitty of Kshs. 100 million. The budgeted programs that were affected should be explained indicating why the funds should be reallocated again to the program and why the treasury spent funds for other projects and how they will be funded.

Mr. Speaker, Sir, on page 12 on the policies to ensure sustainable development, a report of the status of our hospitals and stalled hospital projects in various sub-counties was assumed in the County Fiscal Strategy Paper 2016/2017. There are projects that should be reflected or reallocated funds for completion. The provision of ambulance is not an ongoing program and should not be proposed in the County Fiscal Strategy Paper. The construction of the 40 community hospitals per ward proposed in 2013/2014 should have a status report availed to initiate further reallocation of funds. Ten motorcycle ambulance reflected as procured by the county government should be clarified.

Mr. Speaker, Sir, on page 13 of 2015/2016 budget allocated Kshs. 2.5 billion for boreholes across the County and the 2016/2017 budget should reduce allocation for the same program to the minimum or to zero. A status report for the previous project should be provided. The reflected 112 boreholes are not worth the allocated funds which would interpret to a higher cost per borehole, not forgetting that drilling rigs were procured in 2014/2015 budget and should not be reflected now. Subsequently, market sheds were in 2013/2014 budget and should not be in the Fiscal Strategy Paper of the 2016/2017 budget. The same applies to the stadium and the People's Park.

Mr. Speaker, security is not devolved and the county should not project to budget and spend on the same. On page 18, the County Government proposes budget for the planting of flowers which should be eliminated and substituted with the planting of trees for the county beautification in the budget.

Mr. Speaker, Sir, the county government should invest in quality early childhood education and empowerment of the vulnerable in the society. On page 19, the ECDE classes budgeted for were previously 80 and any further budgeting should equally consider and reflect the status. According to the County Fiscal Strategy Paper, 30 classes were constructed but the reality on the committees' report and budget is that 80 classes were to be constructed which was not done. Proper status should be established before the budget estimates.

Mr. Speaker, Sir, the committee observed that the recruitment of ECDE teachers has a case in court and any other budget to that effect should establish the status. The program has never taken off and should be excluded in the budget. Mr. Speaker, sir, the County Government

proposes to establish automatic weather observing stations but should instead partner with the existing metrological department at county level to achieve a reliable data collection objective.

Mr. Speaker, Sir, the expected equitable share from the National Government for 2016/2017 stands at Kshs. 7.30 billion plus conditional grants of Kshs. 73 million totaling to Kshs. 8.03 billion. The county expects to collect Kshs. 2.86 billion during the period. The total expected revenue amounts to Kshs. 10.89 billion.

Mr. Speaker, Sir, the total expenditure is projected to Kshs. 10.31 billion with recurrent expenditure at Kshs. 6.27 billion. Out of the recurrent expenditure, personnel emoluments stand at Kshs. 4.39 billion, operations and maintenance stands at Kshs. 8.88 billion. Personnel emoluments constitute 42.58 per cent which is required in the PFM regulation number 25(b) that states that the county government expenditure on wages and benefits for its public officers shall not exceed 35 per cent of the County Government's total revenue.

Mr. Speaker, Sir, the committee observed that the Ward Development Fund had not been factored in the County Fiscal Strategy Paper 2016/2017. In preparing of the County Fiscal Strategy Paper, the treasury omitted the county Ward Development Fund which after consultations with the Executive committee member of finance and revenue management as stated in the PFM Act, the views of the executive committee member of finance should be heard. The CEC member of finance proposed in a joint committee of Budget and Appropriation, Finance and Revenue Collection and Ward Development committees, that the fund be accumulated from all the departments' development expenditure.

County Assembly Budget

Mr. Speaker, Sir, the committee observed that the County Fiscal Strategy Paper has projected the County Assembly budget ceiling at Kshs. 630 million which was the previous years (2015/2016) CRA ceiling. Pursuant to PFM regulations 25(f) that states that the approved expenditure of the County Assembly shall not exceed 7 per cent of all the total revenues of the county government or twice the personnel emoluments of the County Assembly, whichever is lower; according to the Public Finance regulation 25(f) computation of the 2016/2017 budget, 7 per cent of the total county revenue as per the County Fiscal Strategy Paper amounts to Kshs. 762 million. Personnel emoluments for the year 2016/2017 are estimated at Kshs. 414.5 million which when doubled would amount to Kshs. 829 million. The lower of the two is 7 per cent of the total County revenue which should be the County Assembly budget ceiling. Programs should have attached details and be well defined; details be itemized.

Recommendations

Mr. Speaker, Sir, the County Assembly conducted a public participation on the County Fiscal Strategy Paper according to section 117 of the Public Finance Management Act, 2012. After considering various public proposals on the amount to allocate each ward, the committee recommends that each ward be allocated Kshs. 30 million for Ward Development Fund. The amount includes 5 per cent administration costs as required by the Act.

Mr. Speaker, Sir, the committee recommends that development expenditure for the department of Public Service, ICT, Labor and Cooperative Development be reduced from Kshs.

279,876,490 to Kshs. 79,876,490; the department of Trade, Investment, Economic Planning and Industrialization, development expenditure be reduced from Kshs. 284,963,406 to Kshs. 184,963,406.

Mr. Speaker, Sir, the committee recommends that development expenditure for the department of Finance and Revenue Management be reduced from Kshs. 67,191,832 to Kshs. 47,191,832. Mr. Speaker sir, the committee recommends that the development expenditure for the department of Decentralized Units, County Administration and Energy be reduced from Kshs. 237,494,539 to Kshs. 120,494,540. Mr. Speaker, sir, the committee recommends that development expenditure for the department of Agriculture, Livestock, Fisheries, Lands and Urban Development be reduced from Kshs. 148,655,252 to Kshs. 138,655,252.

Mr. Speaker, Sir, the committee recommends that the recurrent expenditure for the department of Health, Environment and Emergency Services be increased from Kshs. 2,529,256,892 to Kshs. 2,680,256,892 and the development expenditure be increased from Kshs. 226,393,858 to 326,393,858. The committee further recommends that development expenditure for the department of Transport, Roads, Public Works and Housing be increased from Kshs. 562,824,729 to Kshs. 600,824,729.

Mr. Speaker, Sir, the committee recommends that the development expenditure for the department of Water and Irrigation be reduced from Kshs. 1,745,812,005 to Kshs. 1,500,812,005 and the recurrent expenditure of the department be reduced from Kshs. 182,929,929 to Kshs. 171,751,739. Mr. Speaker, the committee recommends that the development expenditure for the department of Tourism, Sports and Culture be reduced from Kshs. 245,366,980 to Kshs. 145,366,980.

Mr. Speaker, the committee recommends that development expenditure for the County Assembly be increased from Ksh. 142,074,370 to Ksh. 157,074,370 to meet the development expenditure for the new County Assembly office block. Mr. Speaker, Sir, the committee further recommends that the County Assembly recurrent expenditure be increased from Ksh. 630,232,131 to Ksh. 912,666,902 to meet the ceiling threshold of the PFM regulation 25(f) that gives the County Assembly ceiling at 7 per cent of the total County Revenue or double the employees' emoluments, whichever is lower. Mr. Speaker, Sir, the County Assembly recurrent budget includes other transfers amounting to Ksh. 150 million to cover mortgage and car loans for both Members of County Assembly and staff.

Mr. Speaker, Sir, the committee recommends that a staff audit be carried out before the 2016/2017 budget approval to adjust the wage bill level from 42.6 per cent to the limit set by the PFM regulations at 35 per cent. Total development expenditure is Ksh. 4.04 billion translating to 38 per cent and adheres to the fiscal responsibility set out in the Public Finance Management Act section 107(2b) which states that over the medium term, a minimum of 30 per cent of the County Government's budget shall be allocated to the development expenditure.

Mr. Speaker, Sir, the committee observed that the drilling of boreholes has at times been done without success and recommends that hydrological surveys be carried out before digging boreholes to avoid drilling empty boreholes, away from the water table. Mr. Speaker, sir, the committee recommends that both the County Executive and the County Assembly independently sets aside funds to cater for the KICOSCA games in the Financial Year 2016/2017.

Mr. Speaker, Sir, the committee is grateful to the office of the Speaker and that of the Clerk for the County Assembly for the support accorded to the committee. I wish to express my appreciation to the Hon. Members of the Budget and Appropriation 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 Budget and Appropriation committee, to table this report of the Machakos County Fiscal Strategy Paper in this Hon. House for consideration and adoption. Thank you, Mr. Speaker, Sir.

(Applause)

Hon. Speaker: Thank you Hon. Willy Mukewa for that good presentation. I now invite contributions on the matter. Let us hear Hon. Katela.

Hon. Katela: Thank you Mr. Speaker. I, 100 per cent, support this report which the acting chair, Budget has read save for page six and seven where he is touching on ICT. Mr. Speaker, sir, that is my department and we had recommended Ksh. 350 million for staff arrears. As you remember, in the last budget we had allocated Ksh. 100 million for staff arrears who were owed by this county some money but they were not paid, but in my recommendations which I sat with the Chief Officer and office of the Union which represents the workers, Mr. Speaker, Sir, we had put Ksh. 350 million so that we could be able to pay these people their arrears which have been pending for several years.

Otherwise the rest of the budget is good; I propose that Mr. Speaker, you should just put the question if we will consider adding my people some more money for arrears. Mr. Speaker, just put the question so that the budget can pass. Thank you.

Hon. Speaker: Hon. Members, maybe we can handle that proposed amendment to know who is in support of that amendment.

Majority Leader (Hon. Mwonga): I do support that amendment, Mr. Speaker. Thank you.

Hon. Speaker: Let us hear Hon. Kamitu.

Hon. Kamitu: Mr. Speaker, Sir, this in support of the request by Hon. Katela whereby I also sit in the same committee and I was in that meeting when the union members came in and we saw it is also important that we consider our retirees who have not been given their dues so I support that amendment, Mr. Speaker, Sir. Thank you.

Hon. Speaker: Is there any voice in opposition to that proposal? Then I proceed to put the question that those in support of the amendment...Maybe before I put the question, let us hear the mover.

Hon. Kasimu: Mr. Speaker, Sir, there is an error on page 13 and 14---

Hon. Speaker: Before that error, maybe we should first dispose on the...

Hon. Kasimu: ... on the Ward Development Fund and the recommendation of Kshs. 30 million is an error and should be Kshs. 20 million.

Hon. Speaker: I proceed to put the question that those in support of the amendment as proposed by Hon. Katela---

(Question for amendment put and agreed to)

The accidental error that has been stated by the mover is admitted and the record will accordingly be amended. Let us proceed. Any further contributions?

(Silence)

Then I proceed to put the question for strategy paper as proposed and developed by the mover.

(Question put and agreed to)

(Applause)

Thank you.

MOTION

SPARRING OF THE OFFICE OF THE DEPUTY SPEAKER

Hon. (Ms.) V. Mbithe: Thank you Mr. Speaker. Mr. Speaker, Sir, I stand under Standing Order 49 (h) to move a motion this afternoon, 6th April, 2016. Mr. Speaker, Sir, aware that this House on 7th May, 2013 elected Hon. Nathanael Nganga to the position of Deputy Speaker; further aware that Standing Order 14 provides for the position of the Chairperson of Committees and not the Deputy Speaker; cognizant of the fact the position of the Deputy Speaker is not provided for in any written law; Mr. Speaker, Sir, acknowledging that this House is a legislative institution and such a position should be legally supported; aware that election of the Deputy Speaker was erroneous and has brought confusion since the roles of such a position are not stipulated in any legislation; Mr. Speaker, Sir, aware that there is need to abide by the provisions of our Standing Orders which provide for the position of the Chairperson of Committees and not the Deputy Speaker as for our case, I wish to move the motion that this Hon. House discusses and approves that the position of the Deputy Speaker be sparrred and fresh

elections conducted for the position of the Chairpersons of Committees to realign our Standing Orders. Thank you Mr. Speaker, Sir.

(Applause)

I call upon Hon. Peter Nzioki to second the motion

Hon. Nzioki: Thank you Mr. Speaker. I stand to second and urge these members to discuss and correct that anomaly. Thank you, Mr. Speaker.

Hon. Speaker: Hon. Members, this is a motion that requires leave; it is a motion without notice but let me get it from the House on the matter of leave of the Assembly. Leave of the Assembly means that there be no objection by any member, either with the sympathy of the Speaker or the support of at least two other members. In this particular case, let me ask the House, is there any objection?... *(Silence)* Then in the absence of any objection, then the matter proceeds.

(Applause)

Let us proceed Hon. Veronica

Hon. (Ms.) V. Mbithe: Thank you Mr. Speaker, Sir. Aware that there has been confusion in this House on the two terms and aware that in our Standing Orders there is no written legislation on the same about deputizing the Speaker; aware that there is a Speaker's Panel, I believe that Mr. Speaker, Sir, we need to have the chair of chairs and the one who is presently holding the chair of the Deputy Speaker was elected on 7th May, 2013 as the Deputy Speaker, not as the Chair of Committees. There is a necessity Mr. Speaker, sir, so that we straighten our matters so that no one will come to question us in the near future on the same. Thank you Mr. Speaker, Sir.

(Applause)

Hon. Speaker: Thank you. Tumsikize Alice.

Hon. (Ms.) Nzioka: Asante sana Bw. Spika kwa kunipa nafasi. Bw. Spika, nasimama kuunga mkono wazo nzuri ambalo limeletwa na mheshimiwa Veronica. Bw. Spika kama unavyojua, bunge letu ni bunge la sheria na sisi kama wabunge wa kaunti ya Machakos, tunafuata mwongozo ambao tunao, tumetengeneza sisi wenyewe ambao unaweza kutuongoza kwenye hili bunge.

Bw. Spika, mwongozo ambao tunao, tukienda kando na mwongozo tunavunja sheria. Ukianaglia sisi katika bunge la Machakos, nafikiria ndio bunge pekee ambayo tuna naibu wa Spika. Bw. Spika ukiangalia kwa mwongozo, tuna mwenyekiti wa kamati zote, kwa hivyo

naunga mkono kusema kwamba nafasi ambayo ilikuwa imewekwa mwezi wa tano tarehe saba mwaka wa 2013 kwamba bunge letu lina mdogo wa Spika ambaye ni Nathanael Nganga, utolewe na tuwe na mwenyekiti wa kamati zote. Asante, Bw. Spika.

(Applause)

Hon. Speaker: Any further contributions?

Majority Leader (Hon. Mwonga): Thank you Mr. Speaker, Sir. Mr. Speaker, I stand to support this motion. The Standing Orders were adopted on 9th July 2014 by this Hon. House. By the time this Hon. House elected one Hon. Nganga to the office of the Deputy Speaker, we were using the interim Standing Orders which had been borrowed from the National Assembly, Mr. Speaker, but this Hon. House adopted its Standing Orders on 9th July, 2014, automatically making the office of the Deputy Speaker null and void, Mr. Speaker, because the Standing Orders don't talk of a Deputy Speaker; they talk of Chair of Chairs or Chair of Committees and if you look at the Chair where I sit, there is a label there, 'the Leader of Majority,' and where Hon. Nathaniel Nganga sits, it is very categorical that it is 'Chairperson of Committees,' which means we have no position of a Deputy Speaker in this House.

Mr. Speaker, this motion is in good faith to make this House conform to its own Standing Orders, and this being a house of order guided by the Standing Orders, we should abide by the same Standing Orders, otherwise anybody can go to court and challenge the position of the Deputy Speaker. Mr. Speaker, I know one Hon. Nganga who has been holding the office of the Deputy Speaker is equal to that office, Mr. Speaker, and if this House approves that we have Chair of Chairs Mr. Speaker, I know these members will elect him again to be the Chair of Chairs. With that Mr. Speaker, I support that the office of the Deputy Speaker be abolished and we have the office of Chair of Chairs. Thank you, Mr. Speaker.

Hon. Speaker: Thank you. Are we through? We can hear Mueni on the matter.

Hon. (Ms.) Mueni: Thank you Mr. Speaker, Sir. I am not supporting the motion because I think this House is behaving as if we do not go to church. I know it is not a church Majority Leader but you know it is good to love one another. We have to be having love; you have to show one another you don't have anything, you are not going to the home of that person; everybody goes to his own home and there is no need of behaving as if we hate one another. I am not a friend of Nganga but I think it is not a good thing, but it is okay. The other time it is me who was saying there is no chair of Deputy Speakers, but I think Mr. Speaker, Sir, you have now to think twice and check on these things; you are the Chair of this House and you are the master of this House; show a bit of love to these people. Thank you Mr. Speaker, Sir.

Hon. Speaker: Thank you. I don't know but I thought I am showing love, Hon. Mueni, but then it is important that the mover demonstrates whether there is malice in the matter, there is bad faith in the matter as Mueni is alluding?

Hon. (Ms.) V. Mbithe: Mr. Speaker, Sir, the Majority Leader has just stipulated the reason why the House is taking these measures. This is not with any malice; this is just the change of name so that we comply with the Standing Orders. This issue of being personal and emotional, we are legislators and we do not have anything to destroy anybody's life. Thank you Mr. Speaker, Sir.

Hon. Speaker: Thank you. Let us hear Hon. Kasimu.

Hon. Kasimu: Thank you Mr. Speaker. Bw. Spika, ningetaka kufafanua kwamba hii ni nyumba inayofuata sheria na tumejua kwamba kuna waheshimiwa katikati yetu ambao wanapenda sheria sana, wamekuwa ni wazuri wa kwenda kortini na tunaogopa miezi ama miaka inayokuja pia tusipelekwe kortini kwa sababu ya shida ya Deputy Speaker.

Bw. Spika, ndio (maana) tuliamua ya kwamba tulainishe mambo yote ya bunge ambayo tunadhani inaweza kutuletea shida kwa miezi inayobakia tukiwa katika hili bunge kwa hivyo hatujaleta huu mswada kwa sababu ya mheshimiwa Nathanael Nganga; tumeleta ili tulainishe mambo ya bunge. Mheshimiwa Mueni amesema kwamba tuwe Wakristo; na mimi nakuomba pia uwe Mkristo wakati unapotia sahihi kiongozo wa wengi katika bunge aende nyumbani mara nne bila kumsamehe ama bila kukana yeye kama ndugu yako, tujue kama kuna shida.

(Applause)

Mheshimiwa Mueni, katika kikao chetu cha wingi ama majority group, umekuwa ukiweka sahihi mara mingi. Pia wewe tunakuomba usiweke tena sahihi yako kumpeleka mbunge yeyote kwa kazi yake anayoifanya katika hii bunge. Kama ni upendo, ikuwe ni pande zote mbili; sio pande moja. Asante Bw. Spika.

(Applause)

Hon. Speaker: Hon. Cecilia

Hon. (Ms.) Sereka: Thank you Mr. Speaker, Sir, and the House at large. I think Hon. Nganga sits in the committee of rules and procedures of the House where I sit with Hon. Nguu and Hon. Muli. Mr. Speaker, Sir, when we went to meet the parliamentary committee at Panari, what they told us is that there is no Deputy Speaker in the County Assembly.

(Applause)

And Mr. Speaker, Sir, I know my friend Nganga very well and he is a learned person so he knows there is no Deputy Speaker in this House. Mr. Speaker, Sir, what we elected was the Deputy Speaker; now what we want to do is to keep things in good faith and elect a Chair Of

Chairs and I think if Hon. Nganga comes to this Hon. House and asks for the seat of Chair Of Chairs, the members will be willing to give him if he really qualifies for that seat.

Mr. Speaker, I don't think there is any malice and I think Hon. Veronica did the right thing because we know Hon. Speaker, most of our members are doing witch-hunting and they can even take you to court to accuse you of not following the rules of this House. Mr. Speaker, Sir, I think this is the high time; everything be put in place and we follow the right Standing Orders which we passed on the floor of this House. Thank you Mr. Speaker, Sir.

Hon. Speaker: Thank you. Yes we can hear Hon. Ngui.

Hon. Ngui: Thank you, Mr. Speaker, Sir. When the motion was tabled, I was partially out of the chamber and I have found it being discussed but I would want to give my opinion on the motion. Mr. Speaker, if everybody can remember very well, we were elected on 4th March, 2013 and then we reported to this Assembly under the umbrella of the Transition Authority (TA). When we came to this Assembly then, the Assembly was not conformed well so the Assembly was using the interim Standing Orders from the TA; that was a copy from the National Assembly Standing Orders.

Mr. Speaker, those were the same Standing Orders that we used to elect you as the Speaker, they are the same Standing Orders that we used to elect the Clerk of this Assembly, they are the same Standing Orders that we used to elect the Chairs of Committees of Select and Sectoral committees of this Assembly and Mr. Speaker, it has taken a long time before this Assembly came up with its own Standing Orders which were adopted on 9th July, 2014. After the adoption of---

POINT OF INFORMATION

Majority Leader (Hon. Mwonga): Mr. Speaker, I want to inform the Hon. Member for Katangi, one, I know he is a friend to the holder of the office we are discussing now, but we are not discussing an individual. Secondly, Mr. Speaker, I want to inform him that the office of the Speaker is anchored in the Constitution and in the County Governments Act, unlike the office of the Deputy Speaker which is nowhere, Mr. Speaker. It is neither in the Constitution nor in the County Governments Act and also, it is nowhere in the Standing Orders. Thank you, Mr. Speaker.

Hon. Speaker: Thank you. I think that point is ventilated. Proceed.

Hon. Ngui: Mr. Speaker, actually I wanted to rise on a point of order when the Majority Leader was speaking but I gave him time to finish. I have not discussed the office or Nganga as my friend. I have not touched anywhere Nganga being my friend. So Mr. Speaker, I was making my opinion on this and I will continue that when the County Assembly of Machakos adopted its Standing Orders on 9th July, 2014, the interim Standing Orders we were using then mentioned

the office of the Deputy Speaker, but when we made our own Standing Orders, we came up with the Chair of Chairs.

Mr. Speaker, if this motion is not of malice, if this motion is not of bad intention, we should be talking of change of name of office, not to dissolve the office because I believe that this Assembly elected a Deputy Speaker under the Standing Orders and that office was mentioned in the interim Standing Orders of Transition Authority. Now, Mr. Speaker, my view would be, if at all we adopted the Standing Orders and we are genuine enough, if there is no witch-hunting in this matter, that we change the motion to read change of name of office of Deputy Speaker to read the Chair of Chairs.

Hon. Speaker: Order! Order Hon. Ngui. Allow me to offer some guidance. In respect to the arguments you have presented which I appear to now start to agree with, the best procedure then should be, since this motion is already in the House, you proceed and propose the amendment that the name Deputy Speaker, for all intents and purposes, be replaced with the name Chairperson of Committees. I think that will suffice your argument.

Hon. Ngui: Yes Mr. Speaker, Sir.

Hon. Speaker: So find support for your proposal.

Hon. Ngui: Thank you, Mr. Speaker for that guidance and it is well fit. I agree to abide by your guidance; I will request the House to amend the motion to read that since we adopted the new Standing Orders and they don't provide for the office of Deputy Speaker, to change the name of the office to read 'Chair of Committees.' Thank you, Mr. Speaker, and I request Hon. Collins Mbithi to support the amendment.

Hon. Mbithi: Thank you Mr. Speaker. Without much ado, I support.

Hon. Speaker: Thank you. On the matter of the amendment which appears very clear and straight forward, then I will propose to put the question that those in support of the amendment as proposed by Hon. Felix Ngui

(Question put and negatived)

The motion proceeds.

(Applause)

Any further contributions? Let us hear Hon. Kathinzi,

Hon. Kathinzi: Thank you, Mr. Speaker, for catching my hand. Mr. Speaker, I sat in the chair you are seated, though not on oath, to elect you as the Speaker of this House and it has been

read that we elected the Deputy Speaker of this house whereby I personally had an interest in that particular seat but I declined for the interest of Nathaniel Nganga. When we adopted the new Standing Orders Mr. Speaker, you remember I brought the motion to quash the position of the Deputy Speaker.

By then, Mr. Speaker, you were on the chair and you gave directions that these are in house matters, we are working towards achieving the goals of this particular county and Mr. Speaker, that is the decision and that is the position I would request the chair seated today to take that particular matter because what mheshimiwa Ngui is saying, I support in totality; this is a motion targeting the position of Nathanael Nganga politically, as a person not an office.

Mr. Speaker, if we change the name of the Clerk of this Assembly, does it mean that we send the sitting Clerk home? No! I would like to be on record. The HANSARD will be read when I die that I stood firm and said no to this particular motion. Let us be firm and make decisions which are making our people better. I think---

Hon. Speaker: Hon. Kathinzi, maybe you can read for me Standing Order 14 (4). What does it read?

Hon. Kathinzi: Somebody help me with the Standing Orders. Standing Order 14 (4) reads, *“The procedure for electing a chairperson of committees shall, with necessary modification, be the same as that prescribed for the election of the Speaker.”* Mr. Speaker, I would also like to underline the word ‘with necessary modification.’ So with necessary modification, it means that we can change the name of the Deputy Speaker to read the Chair Of Committees. I think that is---

Hon. Speaker: Order! Order! That question has been put and resolved by the majority of this House, Hon. Kathinzi.

Hon. Kathinzi: It is okay, but Mr. Speaker, my firm grounds is that this motion’s grounds are malice. Period.

Hon. Speaker: Let us hear Hon. Kasoa

Minority Leader (Hon. Kasoa): Thank you Mr. Speaker. If you allow me, I wish to read the Standing Orders for those who don’t have them in the House. Standing Order 14 (1) on Chairperson of Committees of the whole Assembly. *“As soon as practicable after the election of a Speaker following a General Election, a Chairperson of Committees shall be elected.”* Mr. Speaker, note that we have new Standing Orders in this House and they should be followed. I propose Mr. Speaker, let the Standing Orders of this House be followed. Thank you Mr. Speaker.

Hon. Speaker: Yes, let me hear you.

Majority Leader (Hon. Mwonga): Mr. Speaker, when this country went for a referendum for the new Constitution, when the ‘Yes’ had their say and we had a new Constitution, some offices were automatically abolished, Mr. Speaker. Mr. Speaker, previously before the new Constitution, we had the office of the Vice President, but today because of the new Constitution that we have, we don’t have the office of the Vice President. Likewise Mr. Speaker, when this Hon. House adopted its Standing Orders, technically the office of the Deputy Speaker created on 7th May, 2013 automatically lapsed, Mr. Speaker.

Mr. Speaker, I wonder why Hon. Members who are very much acquainted with these Standing Orders are raising some issues saying that the motion has not been brought here in good faith, Mr. Speaker. What we are doing Mr. Speaker is, we want to conform to our own Standing Orders, not borrowed Standing Orders and the mood of this House Mr. Speaker is to dispose with this issue. I would propose that you put the question that this Hon. House approves this motion so that we can have time to elect a Chair of Chairs before we proceed for our recess, Mr. Speaker. Thank you.

Hon. Speaker: Then Hon. Members I proceed to put the question that those in support of the motion as deliberated and presented by Hon. Veronica Mbithe dated 6th April, 2016.

(Question put and agreed to)

(Applause)

With the result that those interested in that position, including the former Deputy Speaker, to present their requests through the Clerk then the earlier arrangements for elections will be done.

ADJOURNMENT

Hon. Speaker: No other business, then the House adjourns.

The House rose at 3.55 p.m.