

MACHAKOS COUNTY ASSEMBLY**OFFICIAL REPORT****Tuesday, 21st June, 2016**

The House met at 2.37 p.m.

*[The Speaker (Hon. Mung'ata) in the Chair]***PRA YERS****THE BUDGET STATEMENT****BUDGET HIGHLIGHTS AND REVENUE RAISING MEASURES FOR 2016/2017**

Hon. Speaker: Good afternoon Hon. Members, our guests and visitors. Good afternoon. As you notice today we have the County Executive Committee member for finance who is our dignitary this afternoon and we will proceed to invite her to address the House on the county's budget .Welcome the CEC Member.

(Applause)

County Executive Committee Member (Ms. Elizabeth Nzyoka): Mr. Speaker, Sir, I am delivering the budget statement to the County Assembly Machakos on 21st June, 2016 for the period 2016/2017 at the medium term. Mr. Speaker, Sir, I am honoured and privileged to present this budget statement for the financial year 2016/2017. This statement is been presented at a time when the county's economic environment is stable and promising due to the various programs the county is implementing.

Mr. Speaker, Sir, it is this backdrop that the policy I intend to highlight in this budget are informed by our theme, 'sustainable development for economic growth and improved livelihoods.' I repeat, the theme of next year's budget is 'sustainable development for economic growth and improved livelihoods.'

(Applause)

Mr. Speaker, Sir, before I proceed allow me to take this opportunity to thank Hon. Members for the support they have given me as the County Executive Committee member for Finance and Revenue Management and the entire executive committee in the implementation of the financial year 2015/16 budget. I look forward to getting the same support as we aspire to implement next year's budget once approved by this Hon.

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House. Mr. Speaker, Sir, to achieve the desired economic growth, the County will have to prioritize resources in the productive sectors that will ensure infrastructure development, provision of water and sanitation, environmental conservation, provision of affordable energy, enhance security, information technology, food security, job creation and adequate support for the vulnerable groups in our society.

Mr. Speaker, Sir, this Hon. House approved the 2016 County Fiscal Strategy Paper and this paved the way for the preparation of budget estimates for the 2016 /17 budget. The estimates thus reflect the priorities I outlined above. Mr. Speaker, Sir, allow me to know highlight the specific policies to be implemented as well as share with the Hon. Members, the tax measures and some of the projects and programs the county will undertake over the period ahead of us.

Creating a conducive business and investment environment is one of the priorities. Mr. Speaker, Sir, the County Government has been undertaking the necessary reforms to ensure that the business environment is conducive and attractive to investors by implementing various measures among them implementation of programs towards improvement of the county infrastructure, drafting laws and policies to govern the trade and development and investments, harmonization of fees and charges and promoting public-private ownership framework.

Towards this end, Mr. Speaker, Sir, the county constructed market sheds and 14 of them are already occupied. Further, Mr. Speaker, the investment portal prototype is ready which will enable online opportunities to our investors and also a number of partnerships have been signed in the development of the new city.

Mr. Speaker, Sir, energy is central to nearly every major challenge and is very crucial in supporting business investments. Access to energy is, therefore, essential in achieving sustainable business and investments opportunities. The County continues to invest heavily on energy sector. To support the energy the supplier of energy to the rural investors, a total of Ksh. 55 million has been allocated for the programme of rural electrification.

Mr. Speaker, Sir, to ensure access to quality healthcare services, access to healthcare for all is important to eliminate health disparities and increase the quality and years of healthy life for all Machakos citizens. Equity aims to ensure that quality care is available to and then the quality of the care provided does not differ from accepted standards. Although we have made significant strides in providing healthcare, more still needs to be done.

In order to give the people of Machakos quality and efficient healthcare services, the county has upgraded the Machakos Level V to a modal referral hospital with refurbished and equipped maternity and labor wards, magnetic resonance imaging, commonly known as MRI, renal dialysis, digital X-ray machines and breast cancer screening among others.

Mr. Speaker, Sir, a motivated and properly trained health workforce is crucial in service delivery. Poorly motivated health workers can have a negative impact on individual facilities and the entire health system. Mr. Speaker, Sir, in order to motivate our health workers, we have set aside funds to ensure that all health professionals on contract become permanent and pensionable.

(Applause)

In financial year 2016/17, a total of Ksh. 2.9 billion has been allocated to the health sector. This will go towards completion of community hospitals, refurbishment of Level IV and III hospitals, recruitment of additional health workers and promotion of existing staff to ensure that staff are motivated and their morale is boosted.

(Applause)

Sustainable Environmental Conservation

Mr. Speaker, Sir, the county government has taken a proactive leadership role to make a commitment for environmental protection and conservation. In the recent reorganization of government, ministries and departments, His Excellency the Governor created the department of Environment, Sanitation and Solid Waste Management. This is in recognition of the importance of environmental protection and conservation towards climate change mitigation. Mr. Speaker, Sir, a sum of Ksh. 96 million has been allocated to implement the following programs to ensure sustainable environmental conservation.

- i. Tree planting.
- ii. Rehabilitation of degraded rivers through construction of weirs, drifts and laying of gabions.
- iii. Implementation of the Sand Harvesting Act which was passed by the Hon. House.
- iv. Mapping of County natural resources.
- v. Partnering with NEMA to eradicate environmental pollution.
- vi. Cleaning up of polluted areas such as water bodies and neighborhoods.
- vii. Protection of riparian areas within the County.
- viii. Establish tree nurseries to be distributed to farmers at subsidized prices.

Promoting Inclusive and Sustainable Growth and Employment

Mr. Speaker, Sir, promoting inclusive and sustainable growth and employment is the foundation of promoting food security. Fostering self-reliance and income generation and taking an ecosystem approach to agriculture. Mr. Speaker, Sir, inclusive growth advances equitable opportunities for economic participants and promotes social justice. Mr. Speaker, Sir, in the

financial year 2016/17 a sum of Ksh. 177 million has been allocated for crop development that will go towards:-

- i. Facilitating access to agricultural inputs, such as improved seeds, organic fertilizer among others.
- ii. Extension services, promoting scalable climate friendly agricultural production systems and practices that sustainably increase yields and/or are more resource efficient.
- iii. Supporting subsistence-based farmers to transform into market-based small-scale producers.
- iv. Facilitating an enabling policy framework for pro-poor agriculture development.

Mr. Speaker, Sir, in regard to employment creation we have allocated Ksh. 156 million for basic education and youth development to implement the following programs.

- i. Promote access to quality education for children and youth, inclusive of life skill development.
- ii. Support technical, vocational education and training and apprenticeships with a specific emphasis on youth and women.
- iii. Stimulate entrepreneurship, inclusive of business advisory and financial services and advocating for an enabling business environment.
- iv. Promote a safe and dignified work environment and
- v. Value chain approaches, particularly in the informal sector in urban and peri-urban settings.

Decentralization of County Services

Mr. Speaker, Sir, to ensure effective and efficient service delivery, we have allocated Ksh. 805million to the Ward Development Fund for purposes of development, wealth creation and in particular the fight against poverty at the Ward level.

(Applause)

Mr. Speaker, in support of all those programs outlined above, we have put measures in place to generate revenue in support of the above projects.

Revenue Management and Enhancement

Mr. Speaker, Sir, on the revenue management and enhancement the ability of the County government to provide the required services ultimately depends on revenue availability. Like all other County Governments in Kenya, our revenue comes from locally raised sources and transfers from the National Government. Mr. Speaker, Sir, we have had challenges in implementing all our County Finance Acts due to litigations. It should not be lost to the Hon. Members, Mr. Speaker, Sir, that our Fees and Charges have remained unchanged since the times of local authorities.

(Applause)

Mr. Speaker, Sir, we know we have to be innovative, effective and efficient in our revenue generation and collection for us to meet our revenue targets. In this regard, therefore, the county government has embarked on a comprehensive revenue enhancement strategy. This strategy is a combination of additional revenue streams, increasing revenue within existing streams and debt management.

Mr. Speaker, Sir, to bring revenue to the county we propose to widen payment of land rates to all urban and peri-urban towns. Currently, Mr. Speaker, Sir, we only collect land rates in Mavoko, Machakos and Tala towns only. This will see a huge growth in revenue from land rates. Further, Mr. Speaker Sir, we are in the process of undertaking land revaluation in the County since the current valuation roll we are using was undertaken in 1986 and therefore it is completely outdated.

Mr. Speaker, Sir, in order to increase revenue within existing streams, we have now fully automated all our revenue collection. We have also introduced a wide variety of cashless payment options and have made it easier for clients to make payments online.

Mr. Speaker, Sir, we have put in place a debt management strategy with regard to outstanding debt. This strategy includes:-

- i. Promoting voluntary tax compliance through rate payer education.
- ii. Intensification of revenue mobilization campaigns and education.
- iii. Formation of *ad-hoc* revenue taskforce for enforcement of revenue payments.
- iv. Close monitoring of debt levels with time-outs action being taken before the debts become overdue.
- v. An emphasis on the monitoring of the top 100 debtors based on 80-20 principle.
- vi. Linkage of revenue sources and introduction of a debt clearance certificate.
- vii. Introduction of a facility that allows debtors to enter into arrangements to pay.

Mr. Speaker, Sir, a rapid response team has been established in the Directorate of Revenue Management and this team has seen the revenue grow tremendously in the last few weeks since its formation.

This is being achieved by putting all the directors and revenue collectors on performance contract which will be monitored on monthly basis. For close supervision and monitoring, Mr. Speaker, Sir, a total of Ksh. 30 million has been set aside for purchase of additional monitoring vehicles for the directorate of revenue management.

Further, to ensure our *bodaboda* operators and revenue clerks operate from a conducive environment, a total of Ksh. 1.2million has been allocated to construct sheds for the traders and for the officers.

(Applause)

Mr. Speaker, Sir, we have initiated discussions with our stakeholders on the preparation of Finance Bill 2016 to ensure maximum stakeholder involvement. Once we get the views from all key stakeholders, we shall forward the Bill to the House for consideration and approval.

Mr. Speaker, Sir, I turn now into financing of the budget for what the projects have outlined above.

Financing the Budget - 2016/2017

Mr. Speaker, Sir, the total proposed expenditure estimates for financial year 2016/17 amounts to Ksh. 10.81 billion comprising of Ksh. 7.47 billion recurrent and Ksh. 3.34 billion development. The expenditure will be financed by two sources of revenue namely, our own county revenue of Ksh. 2.8 billion and allocation from National Government Transfers amounting to Ksh. 8.01 billion. Mr. Speaker, Sir, the County has also been allocated a Conditional Grant of Ksh. 33 million for Kenya Devolution Support Program. The funds will mainly be used for capacity building to ensure effective and efficient service delivery.

Mr. Speaker Sir, in charging our rates, we shall continue to be guided by the Machakos County Finance Act 2014 until the County Finance Act 2015 suspension is lifted by the courts or an amended Act is enacted. Mr. Speaker, Sir, the County sources of revenue which include:-

- i. Land rates and rates clearance Certificate.
- ii. Single Business Permit
- iii. Quarry Extraction Fees
- iv. Sand Gravel.
- v. Market Fees.
- vi. Plot and Stalls Rent.
- vii. Bus Park fees.
- viii. House rent
- ix. Refuse Conservancy.
- x. Sign Boards and Advertising Fees.
- xi. Slaughter Houses Fees.
- xii. Court Fees.
- xiii. Building Plan Approvals charges.
- xiv. Cess charges.

Mr. Speaker, Sir, I do request that this House considers the budget which was submitted to the county Assembly by the executive for implementation of the above proposals. I am

requesting approval of the above proposals and policies by the Hon. House, in order to facilitate the enactment of the relevant laws required for implementation of the budget.

Mr. Speaker, Sir, we humbly request the Hon. Members of this Hon. House to interrogate the estimates and to pass them so that together, we can embark on our journey to change the livelihoods of our people as we make Machakos County the great County to be. Mr. Speaker, I thank you and I thank the Hon. Members.

(Applause)

Hon. Speaker: Thank you. The Speaker thanks to the CEC member for making the public pronouncement of the budgetary policy highlights and revenue rising measures for the County government in the financial year 2016/2017. The House will adjourn briefly and we shall resume in another five minutes.

(The House adjourned five minutes)

(The House resumed)

PAPER LAID

BUDGET ESTIMATES 2016/2017

Hon. Kasimu: Thank you Mr. Speaker. I beg to lay the following paper on the floor of the House today 21st June, 2016:- The report of Budget and appropriation committee on budget estimates for the financial year 2016/2017. Thank you, Mr. Speaker.

Hon. Speaker: Thank you. Paper is laid.

NOTICE OF MOTION

BUDGET ESTIMATES 2016/2017

Hon. Kasimu: Thank you Mr. Speaker. Pursuant to Standing Order 44 (1), I wish to give notice of the following motion:- the report of Budget and appropriation committee on budget estimates for the financial year 2016/2017. Thank you, Mr. Speaker.

Hon. Speaker: Thank you. Notice is issued.

STATEMENTS

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BUSINESS OF THE HOUSE FROM 14TH TO 16TH JUNE, 2016

Majority Leader (hon. Mwonga): Mr. Speaker, Sir, I stand under Standing Order 41 (2) (a), 'where during the statement hour, a member of the house business committee designated by the committee for that purpose shall, every Thursday or on the last sitting day, for not more than ten minutes present and lay on the table a statement informing the House of the business coming before the house in the following week.

Mr. Speaker, Sir, the House Business Committee met today and balloted business for today 21st June 2016 and pursuant to the provision of Standing Order 151, balloted business for this week as follows:-

TUESDAY (afternoon):- Machakos County Appropriation Bill No. 7 of 2016, second reading.

Machakos County Appropriation Bill No. 7 of 2016, third reading.

The report of budget and appropriation committee on budget estimates for 2016/2017 financial year.

WEDNESDAY (morning):- Report of powers and privileges committee on amendment to Leadership Integrity Code.

(Afternoon); Report of *ad-hoc* committee on conduct of the County Public Service Board secretary.

THURSDAY (afternoon); Report of agriculture and co-operatives committee on milk chillers

Statements:

- Implementation of motion regarding suspension of sand harvesting in Ndalani ward by Hon. Muthuka, to be responded by chairperson environment, Lands, Energy and Natural resources committee, Hon. Ngunzi.
- Status of visibility study of sewerage and drainage systems in Mlolongo which was allocated Ksh. 50 million by Hon. Rachel Nduku, to be respondent by chairperson environment, Lands, Energy and Natural resources committee, Hon. Ngunzi.
- The status of Gossip-Mlolongo road allocated Ksh. 5 Million for phase 2 and 3 by Hon. Rachel to be respondent by chairperson transport, roads and public works committee Hon. Felix Ngui.
- The status of construction of feeder roads in Mlolongo ward by Hon. Rachel Nduku to be respondent by chairperson transport roads and public works committee, Hon. Felix Ngui.
- Why the graders and excavators have never worked in Kangundo North and when they are expected to start working in the ward by Hon. Francis Matheka to be respondent to be respondent by chairperson transport roads and public works committee Hon. Felix Ngui.

- What led Lazarus Kivuva, an officer in the office of the Governor assault a junior officer contrary to Leadership and Integrity Code by Hon. Alexander Kathinzi, to be responded by Chairperson Labor, public service and ICT, Hon. Katela.
 - The issue of county administration officers appointed to be chief officers without vetting and approval by the Assembly, by Hon. Kathinzi to be responded by Chairperson Labor, public service and ICT, Hon. Katela.
- Thank you, Mr. Speaker, Sir.

Hon. Speaker: Thank you.

BILL

Second Reading

MACHAKOS COUNTY APPROPRIATION BILL No. 7, 2016

Hon. Kasimu: Mr. Speaker, Sir, pursuant to Standing Order 121 (1), I would like to move the motion that the Machakos county appropriation Bill No. 7 of 2016 be read a second time.

Hon. Nduva seconded.

(Question proposed)

Hon. Speaker: It is adequately read for a second time. Proceed.

Hon. Kasimu: Thank you Mr. Speaker. Aware that the executive member for finance submitted the budget estimates of the financial year 2016/2017 to the assembly, aware that the estimates were committed to the Budget and appropriation committee and the sectoral committee interrogated budgets for the respective departments, aware that the county assembly conducted public participation on the budget estimates on 13th June, 2016, Mr. Speaker, Sir, I wish to move the motion that this assembly adopts the report of budget and appropriation committee on Budget estimates for the county government tabled in the Assembly today 21st June, 2016, pursuant to the provision of section 131 of PFM Act 2012 and Standing Order 206 and 210 and approves the issuance of sum of Ksh. 10,876,000,000 from the Machakos county revenue fund to meet expenditure of the year ending 30th June, 2017.

I call upon Hon. Christine Mutune to second the motion.

Hon. (Ms.) Mutune: Thank you Mr. Speaker and the House at large. I second the report of Budget and appropriation committee on the Budget estimates for 2016/2017. Thank you, Mr. Speaker, Sir.

Hon. Speaker: Thank you. The motion is properly laid. The report may be circulated to members and I invite the chairperson to proceed with the report.

(The report was circulated to members)

Hon. Kasimu: Thank you Mr. Speaker. The budget and Appropriation committee derives its mandate from the House Standing Order No. 186 (3) (a) that states that ‘there shall be a select Committee to be known as the County Budget and Appropriations Committee which is mandated to, investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget, discuss and review the estimates and make recommendation to the Assembly.’

COMMITTEE MEMBERSHIP

Mr. Speaker, the members of the committee as constituted by this Hon. Assembly are:-

Hon. Wilson Kasimu	Chairman
Hon. (Ms.) Christine Mutune	Vice Chairperson
Hon. John Sila	Member
Hon. Charles Mutisya	“
Hon. Sammy Nduva	“
Hon. (Ms.) Jacqueline Nziva	“
Hon. Renson Muthiani	“
Hon. (Ms.) Ruth Ndumi	“
Hon. Peter Nzioki	“

Mr. Speaker, the Public Finance Management Act 2012 section 131(1) states that ‘the County Assembly shall consider the County government budget estimates with a view to approving them, with or without amendments, in time, for the relevant appropriation Law and any other Laws required to implement the budget to be passed by June, in each year.’

The budget making process takes place throughout a fiscal year and starts with the CEC Finance issuing a budget circular to the user departments that dictates the guidelines to be followed in making the following year’s budget estimates that ends by 30th June, each year.

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

Mr. Speaker, the 2016/17 budget estimates were committed to the budget and appropriation committee after the House was informed of the receipt of the estimates on 3rd

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May, 2016, in line with the PFM Act which is the principal law in management of public sector finance, both in the National government and the County government.

Mr. Speaker, the Budget and Appropriation committee subjected the budget estimates to the Assembly sectoral committees for further interrogation of the departmental budget estimates. The views and recommendations of the committees have been considered in the budget.

Mr. Speaker, during this time the committees invited the concerned CECs and Chief Officers and interrogated the department's budget with a view of prioritizing the needs since total resources allocated to the ministry were less than the required.

Mr. Speaker, Sir, the PFM Act section 131 (2) requires that before the budget estimates are approved with or without amendments by this honorable house, the budget and appropriation committee should take into consideration the views of the CEC Finance and the public.

The committee, further, conducted public participation forums in all the eight Sub Counties on Monday 13th June, 2016 and collected views of the public in regard to the budget estimates as presented by the CEC Finance and according to the constitution of Kenya.

Mr. Speaker, the views of the people of Machakos County were considered by the CEC while drafting the budget estimates 2016/2017. This was reflected in the fact that the people who attended the forums supported most of the proposed programs in the budget.

However, the following remarks featured from across the County:-

- a) Implementation of the Ward Development Fund which has been a great expectation by both the public and members of this Hon. House. The WDF remains a thorny issue that this Hon. House needs to deliberate amicably, immediately after the presentation of this budget. The Fund has been allocated Ksh. 805 million.
- b) Investment in sewerage and drainage system for urban centers.
- c) More investment in Agriculture across the County.
- d) Construction of weirs along rivers and water canals along rivers Tana and Athi.
- e) The County government should discontinue investing on CCTV cameras since the public have not had issues resolved through the use of the gadgets and if any, how many cases or issues have been supported through the performance of the cameras.
- f) More investment be directed to equipping the existing health facilities with drugs as KEMSA closes down next year.
- g) Projects under special programs in the office of the Governor be transferred to respective programs in departments. They referred to the HIV and AIDS under special programs despite being a sensitive activity for the department of health.
- h) Construction of ECDE classes and polytechnics should be given full advantage of the development budget in the department of education.
- i) Equipping and construction of youth centers.
- j) Provision of land for cemeteries for all County towns.
- k) Bursary funding to support poor students.

- l) Completion of all stalled county projects and management of debts (pending bills should be paid)
- m) Land for dumpsites and the clearing of uncollected garbage across the County.

Mr. Speaker, these recommendations are not listed in the order of priority but the public felt that over and above, water, health, agriculture, education and other county priorities, enough funds must be allocated in this year's budget and in the medium term to address payment of pending bills. Mr. Speaker, these views have been considered in finalizing the financial year 2016/17 budget estimates that I hereby present today on behalf of the budget committee.

Mr. Speaker, the committee allocated funds to the specific departments in line with the stated views by the public, taking into consideration the size of the resource envelope which is Ksh. 10.89 billion. (??)

Mr. Speaker, Sir, the budget estimates for the fiscal year 2016/2017 are prepared in line with the County Fiscal Strategy Paper 2016. The Public Finance Management Act, section 117 (3) states that 'in preparing the County Fiscal Strategy Paper, the County treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year.'

Mr. Speaker, one of the major milestones of the 2016/2017 budget is the funding of the health ministry, which is allocated 26.6 per cent of the total budget of the county taking into consideration the expected sources of funds.

Mr. Speaker, the other highlight of the Machakos County Budget 2016/2017 is the creation of the Ward Development Fund. The fund was allocated Ksh. 805 million, of which the proceeds will be shared equally among the 40 wards at Ksh. 20 million each. Ksh. 5 million will be set aside for administration expenses.

The Budget and Appropriation committee felt that necessary steps must be taken to operationalize the fund which has been an embarrassment to member during this current year. Members should put together their ward projects through one of the constituted committees of this Hon. Assembly and plan forward to absorb the funds. As the legislating body concerned with approving the budget, this honorable Assembly must ensure that all funds, budgeted, flow to the budgeted activities to create development hence ensuring that the fruits of devolution are felt by all in the society.

Mr. Speaker, the Ward Development Fund budget should be executable like any other budgeted activity or program, and not a vain to the Hon. Members. The operationalization of the fund is crucial to ease and expend the allocated budget for the fund and for the future of Wards Development projects.

Mr. Speaker, the committee requests that the amendments to the Machakos Ward Development Fund Act 2014 be implemented and bottlenecks removed to operationalize the fund as recommended by the office of the Controller of Budget. If that is not workable members should move with speed to find practical solutions and possible ways to operationalize the fund.

2016/2017 BUDGET ALLOCATIONS

Mr. Speaker, the budget for the year has a grand total of Ksh. 10,876,000,000. The recurrent expenditure is Ksh. 7,539,572,769 and development vote of Ksh. 3,336,427,231, (31 per cent of the County government Budget Estimates and in line with PFM Act section 107 (1). The receipts and expenditures were based on the expectations that the County Government of Machakos was to receive Ksh. 8,043,000,000 from the National government and Local revenue collection of Ksh. 2,800,000,000. The Executive committee member of Finance recommended that the revenue be adjusted upwards by Ksh. 33,000,000 as she was assured of hitting the target of Ksh. 2,833,000,000 as local revenue for financial year 2016/17.

Mr. Speaker, the Committee recommends that the total expenditure for the department of Public Service, ICT and Labor be adjusted to Ksh. 635,439,742 which include a conditional grant of Ksh. 33 million, for training from the World Bank, department of Trade, Economic Planning Industrialization and Energy Ksh.1,108,258,355 department of Finance and Revenue management Ksh. 414,317,429, department of decentralized units, County Administration, Water and Irrigation Ksh. 2,081,885,097, department of Agriculture, Livestock, Fisheries, Lands and Urban Development Ksh. 577,646,966, department of Health and Emergency Services Ksh. 2,895,088,473, department of Roads, Transport, Public Works and Housing Ksh. 825,617,276, department of Education, Youth and Social Welfare Ksh. 249,947,309, department of Environment, Sanitation and Solid Waste Management Ksh. 121,412,720, department of Tourism, Sports, Culture, Co-operative development and Marketing Ksh. 234,721,867, the County Public Service Board Ksh. 63,292,001, the Office of the Governor Ksh. 565,631,493 and the County Assembly Ksh. 1,102,741,272.

Mr. Speaker, Sir, the committees worked hard to allocate every department a fair share of funds to enable them undertake core priority programs. In this regard, the committee recommends a priority also be given to payment of pending bills and the County government to abstain from accumulating any further debts which are pulling down the County government.

Mr. Speaker, during the public participation the residents of Machakos County expressed the need of construction of ECDE Classes and youth polytechnics. The committee allocated funds for the same and recommends that the exercise be undertaken by the department of Education, Youth and Social Welfare.

Mr. Speaker, Sir, various challenges however will continue to undermine the execution of the 2016/17 budget; which will highly depend on the following factors:-

1. The management of the wage bill which will consume 41 per cent of the total County revenue, contrary to PFM regulation No. 25 (b) which states that the limit shall not exceed 35 percent of the total County revenue.
2. Management of collected local revenue, which has been unfulfilled in the past years.
3. Members to fast-track realistic operationalization of the Ward Development Fund and absorption of the funds within six months, noting that procurement by the County government will come to an end in February, 2017.

4. Management of the County debt which is rapidly growing and not proportional to the resource envelope. The county debt stands above 23 per cent of the 2016/17 County Budget. The Public Finance Management Regulation No. 25 (d) states that the County public debt shall never exceed 20 percent of the County governments total revenue at any one time;
5. There has been a challenge, in the past, on garbage collection, but the newly created Department of Environment, Sanitation and Solid waste is now well-funded to procure land, equipment and accessories to manage garbage collection and dumpsites which has been a drawback in managing the environment.

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

CONCLUSION

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

Mr. Speaker, deviations from the ceilings drawn in the Fiscal Strategy Paper were witnessed in the departments of Public service and ICT, Finance Department, department of decentralized units which was merged with the water department after approval of the Fiscal Strategy Paper, department of Agriculture, Health department, Roads and Transport, Education youth and social services, Environment, sanitation and Solid waste, that is a new department, Tourism, sports and culture, and County Public Service Board.

The deviation in the budget estimates 2016/17, from the County Fiscal Strategy Paper, is within the allowable parameters in the Public Finance Management Act 2012. Mr. Speaker, the County Assembly deficit of Ksh. 33 million was monies for Other Transfers, loans and mortgages for both Members and staff, which were not received in the current year budget 2015/16 to be covered in the 2016/17 budget.

Mr. Speaker, I would like to inform members that the Budget is a planning tool under which the economic agenda of the county is to be realized in a manner that allocates the scarce resources of the County to its unlimited needs based on main concerns.

Mr. Speaker, a county budget is also a political tool under which leaders advance the agenda of their electorates in a manner that ensures public goods and services are availed to the electorates in line with the County Integrated Development Plan while at the same time honoring their own election manifestos. Drawing the budget requires a vigilant harmonizing exercise to ensure that all the County government interests are considered.

It is therefore important at this point to note that any pledges to the electorate should involve consulting the concerned departments and the budget for the period.

Mr. Speaker, Sir, during the budget-making process, the committee ensured that the provisions of all the applicable laws were observed and include views from public participation, interrogation of the Executive Committee members and Chief Officers of the departments and

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views of the executive committee member for finance as enshrined in section 131 of the Public Finance Management Act.

ACKNOWLEDGEMENT

The committee is grateful to the office of the Speaker and that of Clerk to the county Assembly for the support accorded during the committee sittings. I wish to express my sincere appreciation to the chairpersons of sectoral committees for finding time to make the views of their committees heard by the budget committee. I, too, express my sincere appreciation to the Hon. Members of the assembly and the citizen of Machakos for all their inputs to the 2016/2017 budget making process.

Finally, Mr. Speaker, I wish to commend the Hon. Members of the budget committee who sacrificed their time to participate in all the activities of the committee and in the preparation of the 2016/17 budget. Mr. Speaker Sir, this report is approved by the committee members as drawn below:-

Hon. Wilson Kasimu
Hon. (Ms.) Christine Mutune
Hon. Sammy Nduva
Hon. Renson Muthiani
Hon. (Ms.) Ruth Ndumi
Hon. (Ms.) Jacqueline Nziva
Hon. John Sila
Hon. Charles Mutisya
Hon. Peter Nzioki

It is therefore my pleasant duty and privilege on behalf of the Budget and Appropriation committee to table the Machakos County budget estimates for the financial year 2016/2017 report to this Hon. House for consideration and approval. Thank you Mr. Speaker Sir.

(Applause)

Hon. Speaker: Thank you Hon. Members. The report is properly laid. Your deliberations for adoption, and I open the floor for contributions. Yes Hon. Itumo.

Hon. Itumo: Thank you, Mr. Speaker. I support the report this evening because it is a good report and it is from this budget report that the executive will be able to proceed with the development agenda.

Mr. Speaker, it is a good report and Mr. Speaker, you know, we have a lot of development within our Machakos County, the stalled projects and again the projects that are yet to come, Mr. Speaker. I urge this Hon. House to stand in unity and approve this budget of

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2016/2017 financial year that we are about to capture come July next month and we want the development to start with immediate effect.

Mr. Speaker, through our goodwill as Hon. Members, I urge the House just to pass this report and we give room for development to take place. Mr. Speaker, let me terminate there by saying that it is a good report and I hope all Members are going to be together as they pass this report in this Hon. House. Thank you, Mr. Speaker.

(Applause)

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

Hon. Nduva: Thank you, Mr. Speaker, Sir. I support this noble report as a Member of committee of budget and as it has been read by the Chairman and the CEC, Finance, Mr. Speaker, our considerations, the departments and the public participation were put to consideration while this committee was coming out with this document. So, Mr. Speaker, to mention among the programs that have been captured by this noble budget Mr. Speaker, is the completion of all pending bills.

This includes the health centers and the other projects that have not been completed Mr. Speaker. The budget takes care of that but I believe Hon. Members are certain that, the budget having taken care of that, we will be safe as leaders and residents of Machakos. Mr. Speaker, I would like to request the Hon. House to support the budget. Thank you, Mr. Speaker.

(Applause)

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

Hon. Kalunde: Mr. Speaker, I support the motion of the budget. Mr. Speaker, this budget has allocated more money than the previous budgets because the maximum of the previous budget used to be Ksh. 8 billion but for this particular one, it has gone even to Ksh. 10 billion and I believe that most of the projects which have not been completed are going to be completed by this budget. So, Mr. Speaker, without wasting time, this is a budget which should be passed without wasting time. Thank you, Mr. Speaker, Sir.

(Applause)

Hon. Speaker: Thank you. Let me hear Hon. Muli.

Hon. Muli: Thank you, Mr. Speaker. First and foremost, Mr. Speaker, let me applaud the Chairman for budget and the committee for budget for the good work they have already analyzed and, Mr. Speaker, this budget has been planned very well and I can say bravo to this budget, Mr. Speaker because, the budget has directly shown that the County economic growth and livelihood of the people of Machakos has already been factored very much and the budget has already

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touched on issues of productive sectors which are being required in Machakos County to develop the County.

Mr. Speaker, also this budget has been aligned to with the Fiscal Strategy Paper 2016 and also has been factored in PFM Act section 117 (1). The prioritized sectors and also which had already been forwarded by the public has already been considered in this budget. Mr. Speaker, this is a very wonderful budget and I stand to support it fully. Thank you, Mr. Speaker.

(Applause)

Hon. Speaker: Thank you, let us hear Hon. Kathinzi.

Hon. Kathinzi: Thank you, Mr. Speaker. I would like to start by commending, extremely very highly---

(Applause)

A job well done by budget committee to ensure that we have a budget for financial year 2016/2017. To point out, Mr. Speaker on page 5, there are some clerical errors which were corrected verbally but it is good that it is corrected for the purposes of the HANSARD. That is paragraph 2 which is reading Ksh. 10.89 million instead of billion which I think it is good for it to be changed to read billion---

(Applause)

Other than that Mr. Speaker, I would also like to or request that the implementation committee which I belong to, to ensure that all the projects earmarked for the purposes of the *mwananchi* to benefit from this particular budget Mr. Speaker, benefits according to the way the budget has been highlighted. Otherwise, I totally support it and it is a good move, Mr. Speaker, as we wind up our term as the first MCAs of this particular County. Thank you, very much.

(Applause)

Hon. Speaker: Thank you. Let us hear the Minority Leader here.

Minority Leader (Hon. Kasoa): Thank you, Mr. Speaker. I support this report and if you look at the department of water, it is being allocated more than Ksh. 2 billion. Mr. Speaker, we want our people to bathe with shower as the Governor has promised before so we are looking forward because this is our last budget in office; we are looking forward for the executive not to divert any single coin to other departments. So, this morning Mr. Speaker, I have commissioned a borehole in my ward and people are very happy, so we want especially the funds allocated to the department of water should be used very well.

So, we are looking forward for the executive to implement the budget as it is. Thank you, Mr. Speaker.

Hon. Speaker: Thank you. Let us give the opportunity to the Majority Leader.

Majority Leader (Hon. Mwonga): Thank you, Mr. Speaker. Today, I am a happy Member of this House because I have not heard any dissenting voice on this budget Mr. Speaker. The law requires that in any budget, development funds be over 30 per cent and our budget committee has attained this requirement because the development is 31 per cent. Mr. Speaker, why we are not having dissenting voice on this, it is because Members sat in various committees and interrogated this budget.

The Chief Officers appeared before different committees, even the CEC Members did appear. That is why Members are privy to what is in this budget. So, without wasting a lot of time Mr. Speaker, I can read the mood of this House---

(Applause)

The mood of this House is that we dispose with this budget estimates. So it is my requirement and proposal that you put the question Mr. Speaker, and the 'ayes' I know will carry the day Mr. Speaker. Thank you, Sir.

Hon. Speaker: Thank you. Hon. Members, is there any dissenting opinion? Then we will....Hon. Ngui, is it a dissenting opinion? Then you will have an opportunity within the Whole House Committee to deliver perhaps your point. Okay, let us hear that important message from the Hon. Member for Katangi.

Hon. Ngui: Thank you, Mr. Speaker. As I give my opinion on this budget 2016/2017, you realize that this might be the last budget for this House to oversight. It is not the last budget because we will be making another budget next year because we believe elections will be maybe next year August. But being the last budget that the County Assembly of Machakos is going to oversight, we need to be serious on what we are doing. So, Mr. Speaker, my contribution will be that since this is the largest budget that the County Government of Machakos is going to receive. We have great expectations for our people to benefit from it.

You realize that we have been making budget since 2013 and most of the projects we put in the budget but they are not implemented. So, Mr. Speaker, as I support this budget, I want to pass a strong message to all CECs of departments, to make sure that monies budgeted for specific projects are not diverted to other use. For example, Mr. Speaker, you have been budgeting for Katangi stone crusher since 2013 and it has not been implemented up to date and when we were interrogating the budget, the CEC assured me that it is in this year's budget---

Hon. Speaker: Order! Hon. Ngui. The matter before this House, is the budget.

Hon. Ngui: Yes, Mr. Speaker.

(Applause)

Hon. Speaker: I rule you out of order. Let us hear the budget Chairman in conclusion.

Hon. Kasimu: Thank you, Mr. Speaker, Sir. Reading from the mood of the House today, Mr. Speaker, Sir, I propose that this House turns into a committee of the Whole House to discuss the bill. Thank you, Mr. Speaker.

Hon. Speaker: Thank you. As the House converts to a committee of the whole, I proceed to put the question.

(Question put and agreed to)

(The Bill was read a Second Time and committed to a Committee of the Whole House today)

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

[Mr. Speaker left the Chair]

IN THE COMMITTEE

[Mr. Chairman (Hon. R. Mutuku) took the Chair]

MACHAKOS COUNTY APPROPRIATION BILL No. 7, 2016

Hon. Chairman: Hon. Members, we can resume our seats. This is a committee of the Whole House and all the rules that are applied in the normal sittings apply here.

(Clauses 1, 3, R1, D13 agreed to)

Clauses with amendments

First Schedule: Development expenditure

(Clause D1, D2, D3, D4, D5, D6, D7, D8, D9, D10, D11, D12 and D13 agreed to)

Hon. Kasimu: I move that the amended clauses be part of the bill.

(Question that the clauses as read be amended as proposed put and agreed to)

Clause 2

Hon. Kasimu: Mr. Chairman, I beg to move that:-

a) Delete the figures Kshs. 11,296,362,055 from the marginal note of Clause 2 and substitute thereof the figure Kshs. 10,876,000,000.

b) Delete the words Kshs. 11,296,362,055 from clause 2 and substitute thereof the words Kshs. 10,876,000,000.

c) Delete the figures Kshs. 11,296,362,055 and substitute thereof the figure 10,876,000,000.

(Question of the amendment proposed)

*(Question, that the words to be left out be left out,
put and agreed to)*

*(Question, that the words to be inserted in place thereof
be inserted, put and agreed to)*

Second Schedule: Recurrent expenditure

Hon. Kasimu: The Second Schedule of the recurrent expenditure be amended as follows:- substitute R002, R003, R004, R005, R006, R007, R008, R009, R0010, R0011, R0012 and R0013.

(Question of amendment proposed)

(Question of amendment put and agreed to)

Second schedule: Recurrent expenditure

Hon. Kasimu: The sub-total of the recurrent expenditure is amended by deleting the figure Kshs. 7,216,558,023 and substitute thereof the figure Kshs. 7,539,572,769. The grand total of the bill is amended by deleting the figure Kshs. 11,296,362,055 and substituting thereof the figure Kshs. 10,876,000,000.

(Question of amendment proposed)

(Question of amendment put and agreed to)

(Clause 2 agreed to)

(Schedule agreed to)

(Title agreed to)

(Clause 1 agreed to)

Hon. Kasimu: I wish to move that the committee to report its consideration of the Machakos County Appropriation Bill No. 7 of 2016 and its approval thereof with amendments

(Question proposed)

(Question put and agreed to)

(The House resumed)

[Mr. Speaker in the Chair]

REPORT AND THIRD READING
MACHAKOS COUNTY APPROPRIATION BILL No. 7, 2016

Hon. R. Mutuku: Mr. Speaker, Sir, I beg to report that the Committee do report to the House its consideration of the Machakos County Appropriation Bill No. 7 of 2016 and its approval thereof with amendments. Thank you, Mr. Speaker, Sir.

Hon. Nduva seconded.

(Question proposed)

(Question put and agreed to)

Hon. Kasimu: Mr. Speaker, I beg to move the motion that the Machakos County Appropriation Bill No. 7 of 2016, be now read for the Third Time. Thank you, Mr. Speaker. I call on Hon. Sammy Nduva to second the third reading of the Bill.

Hon. Nduva Seconded.

(Question proposed)

Hon. Speaker: Hon. Kasimu, the chairman of the committee. If there is no debate you can give thanks.

Hon. Kasimu: Mr. Speaker, I want to take this opportunity to thank all the Members of the County Assembly of Machakos for the participation through the budget process and they gave their time and gave a meaning to this budget process. I also take this opportunity to thank the Hon. Speaker and his office for the support that they have given us.

I also take this opportunity to thank the Clerk and his office for the support that they have given to the budget committee and finally I want to thank my committee, the Vice Chairperson and all the Members of the committee for the deliberation and the time they took to participate in the budget. I want to thank the Majority leader Hon. Mwonga for the support.

I also want to thank the Minority Leader, Hon. Thomas Kasoa for the support and let all the Members of this House feel appreciated. Thank you and God bless you. Thank you, Mr. Speaker.

(Applause)

(Question put and agreed to)

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

Hon. Speaker: Then the Bill becomes law as read.

(Applause)

ADJOURNMENT

Hon. Speaker: In the absence of any additional business, the House adjourns.

The House rose at 4.12 p.m.