

# REPUBLIC OF KENYA

## MACHAKOS COUNTY ASSEMBLY

### OFFICIAL REPORT

**Tuesday, 18<sup>th</sup> October, 2016**

**The House met at 2.30 p.m.**

*[The Speaker (Hon. Mung'ata) in the Chair]*

#### PRAYERS

**Hon. Speaker:** Good afternoon Hon. Members.

#### COMMUNICATION FROM THE CHAIR MINORITY LEADERSHIP

Hon. Members, on 17<sup>th</sup> October, 2016, the Chair received the judgement in the Political Parties Dispute Tribunal Complaint Number 23 of 2016; Hon. Francis Matheka Versus Hon. Thomas Kasoa and Hon. Alex Kamitu. In that matter, Hon. Matheka lodged a complaint about his removal from the position of the Minority Leader in the Assembly.

The verdict of the tribunal is contained in paragraph 23 of the judgement where the members of the Tribunal sitting on the matter said that, "We therefore declare that the Complainant was duly elected Minority Leader of the Machakos County Assembly. We also order the Speaker to revoke any gazettelement he has issued acknowledging the 1<sup>st</sup> and 2<sup>nd</sup> Respondents as the Minority Leader and Minority Whip respectively..."

The Chair has also received an order dated 17<sup>th</sup> October, 2016 from the same Tribunal where the orders are, "That accordingly a seven (7) days stay of our orders is hereby granted to enable the respondents to file a formal application for stay to the High Court"

In view of these developments, the Chair shall issue further directions on the matter once the Chair receives any further communication from the law Court or the Tribunal. Thank you. Let us proceed.

#### PAPER LAID

#### MACHAKOS COUNTY REVENUE POTENTIAL

**Hon. Speaker:** Hon. Peter Nzioki.

*(Member absent)*

Proceed

### STATEMENT

BUSINESS COMING BEFORE THE HOUSE ON 18<sup>TH</sup> AND 19<sup>TH</sup> OCTOBER, 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, the House Business committee met on Thursday, 13<sup>th</sup> October, 2016 and pursuant to the provisions of Standing Order 151, balloted business for the week starting 18<sup>th</sup> to 19<sup>th</sup> October, 2016 as follows:-

- Tuesday (Afternoon) 18<sup>th</sup> October, 2016 - Report of ad-hoc committee investigating revenue potential in the county.
- Wednesday (Morning) 19<sup>th</sup> October, 2016 - Report of Environment, Land, Energy and Natural Resources committee on the status of borehole projects in the second and third quarters of the financial year 2015/2016.
- Wednesday (Afternoon): Report on *ad-hoc* committee on Mavoko petition.

Thank you Mr. Speaker, Sir.

### MOTION

MACHAKOS COUNTY REVENUE POTENTIAL

**Hon. Speaker:** Hon. Peter Nzioki, the chairperson *ad-hoc* committee on County revenue potential, the business of the day was entirely on you. I don't know whether the House can hear you.

**Hon. Nzioki:** Mr. Speaker, I apologize to the House; I delayed somewhere where I was engaged and I tried my best to come as early as possible until I could make it. If I could present it, I am ready to do so. Thank you.

**Hon. Speaker:** Hon. Members I would want to hear two Hon. Members support his plea. If it is not supported, then your business will fail.

**Majority Leader (Hon. Mwonga):** Mr. Speaker, I have carefully listened to the member and he was willing to come and table the report as he has said. I stand to support his request that he be given time to table the report. Thank you, Mr. Speaker.

**Hon. Speaker:** Let me hear the Hon. Deputy Speaker.

**Hon. Nganga:** Mr. Speaker, I rise to second that the member can be given the

opportunity to go ahead and inform this House on the potential of revenue collection. Now that he is ready, we can go ahead and hear him, Mr. Speaker, with your permission.

**Hon. Speaker:** You may proceed with the motion; we will deem the paper as having been laid.

**Hon. Nzioki:** Mr. Speaker, Sir, THAT aware that Article 202 (1) and (2) of the Constitution of Kenya provides that the revenue source for county governments include old revenue and disbursement from the national government in the form of---

**Hon. Speaker:** Hon. Peter, you have to move your motion first.

**Hon. Nzioki:** Thank you, Mr. Speaker, for your guidance. Mr. Speaker, Sir, I wish to give notice of the following motion: THAT this House discusses and approves the report on Machakos county revenue potential. Thank you, Mr. Speaker.

**Hon. Speaker:** Hon. Nzioki, kindly invite your seconder.

**Hon. Nzioki:** I invite Hon. Matheka to second the motion.

**Hon. Matheka:** Mr. Speaker, Sir, I second the motion that this House discusses and approves the report on Machakos county revenue potential. Thank you.

**Hon. Speaker:** Thank you. Proceed. Just proceed directly with the report.

**Hon. Nzioki:** Thank you. I wish to present my *ad-hoc* report on Machakos County revenue potential. Mr. Speaker, I was the chairman of this committee.

Mr. Speaker, Sir, on 10<sup>th</sup> November, 2015, a motion was moved in this Assembly by Hon. Cecilia Sereka, MCA Kinanie-Mathatani ward. The motion was to request the Assembly to form an *ad hoc* Committee to discuss the revenue potential of the County and was discussed and approved.

Mr. Speaker, the motion raised several concerns that:

- That Machakos County Government has not been able to collect the amount of revenue targeted from local sources;
- The county government is collecting less than what the defunct local authorities that lay within its boundaries used to collect;
- The county government has been forced to revise revenue targets downwards from FY 2013/14; and
- That if the trend continues, the county will not be able to realize its development agenda.

The committee membership is as follows;

1. Hon. Peter Nzioki – Chairman
2. Hon. Raphael Mutuku – V/Chairman

3. Hon. Joshua Mwonga – member
4. Hon. (Ms.) Nina Mbithe “
5. Hon. Francis Matheka “
6. Hon. (Ms.) Cecilia Sereka “
7. Hon. Felix Ngui “
8. Hon. Alex Kamitu “
9. Hon. Winston Kanui “

Mr. Speaker, Sir, Article 202 (1) and (2) provides that the revenue sources for County Governments include own revenue and disbursement from the national government in the form of equitable share and conditional and unconditional allocations, borrowing, grants and donations. A County Government may raise own revenue through property taxes, single business permits and entertainment taxes.

Mr. Speaker, Machakos County own revenue includes but is not limited to money collected through the implementation of the Finance Act enacted every year to finance its budget. In the financial year 2012/2013, Machakos County collected Kshs. 900 Million. The county revenue collection has improved by 17.09 per cent from Kshs. 1.17 billion collected in 2013/2014 to Kshs. 1.35 billion collected in the 2014/2015 fiscal year.

Mr. Speaker, despite the improvement in the revenue collected each year, the target amount has been hard to attain. During the 2013/2014 fiscal year, the target collection was Kshs. 2.3 billion. However, only Kshs. 1.17 billion was realized.

Mr. Speaker, during the 2014/2015 financial year, county own revenue was targeted was Kshs. 2.7 billion where the actual amount realized was Kshs. 1.35 billion. Over the last 2 fiscal years, the highest monthly revenue collections have been realized in the months of August and March, while the least amounts of revenue was collected in the month of September.

Mr. Speaker, Sir, Article 209 (3) of the Kenyan Constitution states that, “a county may impose:-

- a) Property rates;
- b) Entertainment taxes; and
- c) Any other tax that it is authorized to impose by an Act of Parliament.”

Mr. Speaker, Article 209 (5) provides that “the taxation and revenue-raising powers of a County shall not be exercised in a way that prejudices national economic policies, economic activities across county boundaries or the national mobility of goods, services, capital or labour.” The overall national economic development should therefore be the guiding principle even as the county governments look for ways of raising revenues to promote development at the County level.

Mr. Speaker, the committee was guided by the following terms:-

- a) Find out the loopholes in revenue collection and how such loopholes can be sealed.
- b) Establish to what extent have the revenue raising laws been implemented
- c) Identify the high revenue generating activities/areas in county revenue with a view of strengthening revenue collection in those areas.
- d) What ICT infrastructure is in place to enhance revenue collection
- e) Recommend on how revenue base may be increased

Mr. Speaker, Sir, in order to achieve its objectives, the committee conducted site visits to some selected areas of interest and engaged experts which the committee considered relevant to its work.

#### Machakos Bus Park and Street Parking

Mr. Speaker, Sir, collection here is done through county pay bill number 656500. This mode of payment was introduced in December, 2015. The move was meant to ensure cashless revenue collection in all the county bus parks. Once the customers pay the fee, the message is validated using the machine which produces tickets upon successful validation. The average revenue collected per week is Kshs. 640,000. The payment for the parking is done once in a day as follows:

1 to 8 passengers	- Kshs. 100
1 to 14 passengers Nissan	- Kshs. 150
15 to 33 minibuses	- Kshs. 300
15 to 40 and above	- Kshs. 450

Mr. Speaker, these charges are the same for urban, peri-urban and rural areas. Upon payment of the fees, the ticket is valid throughout the day within the county for parking that vehicle. The charges currently being levied are as those in the Machakos Finance Act, 2014 since the Machakos Finance Act, 2015 was challenged in court.

Mr. Speaker, Sir, the committee identified some challenges in this field such as:-

- The devices used frequently face connectivity problem. This brings a lot of inefficiencies and congestion as customers wait to be served.
- There are only 2 supervisors manning the whole of Machakos town.
- No manual records of the vehicle entering the park are kept to back up the gadgets in case of connectivity problem.
- In comparison with the defunct local authorities, the county revenue staff rarely get transfer allowance and subsistence allowance to carry out their duties.
- The poor remittance of statutory staff deductions for example, NHIF, SACCOs have been delayed in the past. This makes it hard for the employees to access services offered by these institutions.

Mr. Speaker, Sir, on the street parking, the committee observed that the parking attendants only collect the parking charges as the vehicle exits. This could be a deliberate move or collusion to have the money pocketed by un-warranted officers.

#### Mavoko Quarry Works

Mr. Speaker, Sir, on 21<sup>st</sup> April, 2016, the committee was able to patrol two revenue collection centres out of the eight collection centres in the area. The members observed that the lorries that enter the quarry centres use only one road which is in a pathetic situation and in the event of heavy downpour, the lorries could hardly access the quarries and this discourages the business.

The members were notified that over 200 lorries are received per day. Working hours are from 5 a.m. to 6 p.m. every day and the toll charges per lorry range from Kshs. 300, Kshs. 450

and Kshs. 600 depending on the capacity of the lorry. On 20<sup>th</sup> April, 2016, the total collection from the eight centres was Kshs. 601,000.

The challenge of system failure is often witnessed in the stations making validation and production of receipts impossible. When this happens, the payment is transacted and the receipt is given later when the network resumes.

The total work force in the quarry centres is 15 comprising of 10 permanent and 5 on contract basis. In this field, the committee noted the following:-

- Poor road network. The road to the quarries is in a pathetic situation and the worst is experienced during the rainy season. This implies negatively by causing low turnover of lorries entering which in turn affects the total collection drastically.
- The lorry drivers face a challenge of getting their payments from their bosses when the collection gadgets fail since they are not able to present the receipt of their transaction to their bosses.
- The employees are poorly motivated to the extent that they have no time to go for lunch and they lack pens and books to record on at the event of network failure.

#### Revenue Collection by KCB

Mr. Speaker, the revenue account for Machakos County is in KCB. Once payment is made to the till Number 656500, the information is received in KCB which later communicates to the Central Bank.

Mr. Speaker, this year the KCB endeavored to collect revenue on behalf of the County from the bus and taxi stations. This is aimed at bringing services of the Bank closer to its customers. It is important to note that the County does not pay the bank for that service.

#### Building Plan Approvals

Mr. Speaker, Sir, the department of decentralized units approves the plan and the seconding of the approval is done by the department of lands. Payment is done at KCB and upon presentation of the deposit slip, an official receipt is issued from the cash office.

Mr. Speaker, for the purpose of ensuring effectiveness in collecting revenue from this source, reinforcement officers frequently tour the Wards to assess the progress of buildings but these officers are not enough to serve the whole county.

Mr. Speaker, Sir, it has been reported that some inspectorate officers hide and patrol the areas where buildings are being erected and terrorize people in the effort of illegally collecting money for those buildings and this has been reported as a challenge.

Mr. Speaker, a person who has been fully cleared is supposed to display the approval of the plan, the receipt of the payment made and clearance certificate in order to qualify to be issued with a single business permit. However, clearance certificate is issued upon payment of Ksh. 4,000 but it is optional.

Mr. Speaker, last year cases of fake business permits were reported but the Chief Officer, Finance informed the committee that this loophole has been sealed by having the permits signed by only one officer.

#### Statements of Account for M-PESA Till Number and Transfers to CBK

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Mr. Speaker, Sir, the committee requested the department to provide details of how revenue collected was transferred to the County Revenue Fund at the Central Bank of Kenya. The committee observed that in the financial year 2014/2015, Kshs. 426,863,129.65 was transferred from Cooperative Bank to CBK while Kshs. 956,591,327.05 was transferred from Kenya Commercial Bank (KCB) to CBK. This gave a total of Kshs. 1,356,559,908 that was banked and transferred to CBK against a total collection of local revenue of Kshs. 1,356,839,319. This gives a difference of Kshs. 279, 411.

Mr. Speaker, Sir, it was also found that at the end of each financial year, the CEC, Finance gives instructions to all the banks to sweep any funds in the County Revenue Fund account to the CBK but the committee established that no funds were transferred to CBK as at the end of 30<sup>th</sup> June, 2015.

Mr. Speaker, the committee established that the sweeping of funds to CBK did not have any specific formula especially at the beginning of the financial year. For instance, the county did not sweep any money to CBK between 3<sup>rd</sup> and 7<sup>th</sup> July, 2014 and only managed to sweep Kshs. 8,890 on 7<sup>th</sup> July, 2014. There were occasions when the county transferred very little amount of money and especially when there was no transfer of money the previous day. Some of these days include 7<sup>th</sup> July, 2014 (Kshs. 8,890.00), 31<sup>st</sup> July, 2014 (Kshs. 1,978.45) and 6<sup>th</sup> November, 2014 (Kshs. 499,450.00).

Mr. Speaker, Sir, there were times when the county did more than one transfer in one day, some involving very little amount. For instance, the county did three transfers on July 2<sup>nd</sup> whereby one of the transfer was of Kshs. 3,172 and three transfers on 21<sup>st</sup> July with one being of Kshs. 500.

#### Operation of the Till Number 656500

Mr. Speaker, Sir, once money is paid in the till number 656500, the money stays suspended in the system of Safaricom until such a time when a secret phone number, which the committee presumes is kept by a certain officer of this County Government, is used to command either part or whole of the money to the bank account of his choice or to another phone number. This means transfers of money from a till number is dependent on the person who operates that secret phone number and this is a critical loophole that can lead to enormous revenue loss. The phone also contains a provision of reversing a transaction.

#### Observations and Major Challenges

Mr. Speaker, Sir, in the course of survey work done by the committee, the following issues were brought to light:-

- i) The non-implementation of the Finance Act for 2015/2016 financial year. The Finance Act is supposed to inform of the expected revenue collection. For example, the lorry carrying cess which Machakos County charges Kshs. 600 is charged Kshs. 2000 in Nairobi. This Act was challenged in court and the county was forced to revert to the 2014 Finance Act whose charges were slightly low.
- ii) The non- implementation of the Sand Act. Machakos County is endowed with a lot sand which is a precious natural resource with a potential of earning this county a lot of revenue. It is a wonder to report that this Act was challenged in court by somebody who is

- not a resident of Machakos. The county now continues to have its sole precious resource being drained while benefiting brokers and the neighbouring Nairobi County.
- iii) The committee noted that there has been improvement in revenue collection from financial years 2013/14 and 2014/15 and if opportunities that can yield revenue are exploited and loopholes of revenue loss are sealed, the county can achieve its revenue target.
  - iv) There is irregularity in terms of figures and times in the way the department of Finance transfers its funds to the Central Bank.
  - v) There is a cold war between the revenue collectors and the inspectorate officers as to who should collect revenue. Some revenue collectors have been reported to be irresponsible to the extent that they deliberately refuse to collect revenue from customers and they just let them go. This move can disable our effort to reach the laid revenue target in a particular financial year.
  - vi) Some enforcement officers have been reported to collect money from buildings under construction which they do not give receipts; neither do they forward to the revenue officers. They use the names of the area MCA as a cover up to do the unwarranted collection.
  - vii) Lack of motivation for the workers was noted as another means of sabotaging effort to reach our revenue target. The problem of delayed salaries, unconducive working environment, no provision for lunch time and insufficient equipment were noted to contribute a lot to cases leading to theft and fraud. For instance, in one sand barrier in Matuu which the committee visited, the members observed that the barrier officers use their own money to buy paraffin, torch batteries and they do not have reflector jackets and coats. This is too demoralizing to expect the employees to deliver professionally.
  - viii) Sabotage by the department of Decentralized Units. This has been reported from the bus parks and taxi stations. When a driver of a certain vehicle does not comply with the rules like evading payments, it is the responsibility of the inspectorate officers to clamp that vehicle in readiness for the consequences of the mistakes done. But these officers do not cooperate and this irresponsibility has contributed to revenue losses.
  - ix) Resistance from the tax payers. This was witnessed last year after the County Government announced implementation of the Finance Act, whereby many business people gagged up to oppose the new payments, an indication that there is a loophole in enforcement of policies.
  - x) System failure leading to congestion of customers and difficulties to produce receipts. This system is dependent on network and it is prone to failure and in some regions the network is very low. In the quarry sites, drivers complained to face the challenge of payment from their bosses when they do not produce receipts.
  - xi) Poor infrastructure for revenue collectors. They lack sheds and umbrellas and this is demotivating and affects their effort to attain the laid revenue targets.

#### Recommendations

- i) The office of the Auditor General should investigate to unearth the phone number used by Machakos County Government to command transfer of money from the till Number 656500, the officer who keeps custody of that phone number and amounts and sequence of transfer of



- money from the time the till Number came into operation. If at all cases of fraud related to this transaction are detected, the concerned officers should be prosecuted in a court of law.
- ii) The quarry industry management is ready to work with the department of roads to improve the condition of roads leading to the quarry sites in Mlolongo. The County Government should therefore exploit this chance by partnering with these investors who are ready to promote development.
  - iii) Duty performance is dependent on how the employee is motivated. To realize good returns, the County Government should consider paying revenue collectors their salaries in time, giving them an opportunity for off duty, time to take lunch, NHIF and NSSF and housing facilities in their work areas.
  - iv) The accounting officer in the department of Finance should account for the reason why no funds were transferred to CBK in June 2015 and why in some months of financial year 2014/15, very little money was transferred to CBK.
  - v) The non-implementation of the Sand Act which is a key revenue source of the county implies that the county has not fully exploited this revenue source. Instead, individuals' interest has been allowed to interfere with the sand industry. The CEC and Chief Officer in charge of Implementation of the Sand Act have proved incompetent and they should be held accountable for making the county lose money through sand brokers.
  - vi) The Revenue department should put up better sheds at the revenue collection sites especially the quarry sites. Collection sites are critical offices that need good infrastructure.
  - vii) The revenue department should deploy more personnel to allow for working on shift bases.
  - viii) There is need to make a policy to give the department of Finance an independent inspectorate to help enforce revenue collection.
  - ix) The clearance certificate issued for building plan approvals upon payment of Ksh.4000 and which has been optional, needs to be made mandatory. This is an avenue that needs to be ventured on since buildings, especially in urban areas, fetch a lot of money as rent.
  - x) The County can try the use of smart cards to pay parking fee. Nyeri County has implemented this with a lot of success.

Mr. Speaker, Sir, failure to optimally collect requisite revenues, the public will negatively be affected by being denied vital services. As aforesaid, the County Government employees are bound to fail to be adequately remunerated. Moreover, the National Government will be overburdened by the financial demand from the County Governments which will ultimately negate the national economy

Mr. Speaker, Sir, it is my pleasant duty and privilege to table this report for discussion and approval. Thank you Mr. Speaker Sir.

*(Applause)*

**Hon. Speaker:** The report is laid, Hon. Members. It is open for debate. I welcome contributions. Yes Hon. Kathinzi.

**Hon. Kathinzi:** Mr. Speaker, I would like to make a comment about this report that I congratulate the mover of the motion, that is Hon. Cecilia Sereka who led to this beautiful report. This is just unearthing information about all what we have been saying as an Assembly that something is wrong in this county in terms of collection of revenue.

Mr. Speaker, on page three, there is very contradicting information on paragraphs 2, 3 and 4. I have tried to go through those figures as a mathematician. Something must be wrong with those numbers because we do not know whether it is Kshs. 1.7 billion which was collected in 2013 or it is Kshs. 900 million.

In relation to the target which was given in paragraph 3, around Kshs. 2.3 billion, what was realized was Kshs. 1.17 billion. I think the point which I am trying to drive home is that every year the target placed for that particular financial year has never been achieved by 50 per cent. That means something is amiss and in a very big way, Mr. Speaker. This report has revealed a lot of information which *Mheshimiwa* Kathinzi has been saying: one day, the writings will be right on the wall.

Mr. Speaker, I want to go straight to page 7 on the statements of account for M-Pesa till numbers and transfers to the Central Bank of Kenya. Mr. Speaker, there is no accountant in this world who will just see or have an oversight of a whopping Kshs. 279,000 because at the end of paragraph 1, it says that the committee observed that in the FY 2014/15, Kshs. 426,000 was transferred from Cooperative Bank while Kshs. 956,000 was transferred from Kenya Commercial Bank to CBK.

Mr. Speaker, this gave a Kshs. 1.3 billion that was banked and transferred to CBK, against a total local revenue collection of Kshs. 1.3 billion. Those hundreds, Mr. Speaker, make a difference of Kshs. 279,411 whereby the accountants of this County Government have never been able to balance. So we demand some answers for this particular case, Mr. Speaker. It might be seen as simple arithmetic but it is not giving a good picture to us as an oversight authority of the people of Machakos County.

Mr. Speaker, I have never heard of a secret phone number even when this ad-hoc committee was tasked to do this particular report. They should have dug in to find out which secret phone number this is because it looks like we are toothless dogs, Mr. Speaker, because when you come in the Assembly and say a till number 656500 is receiving some money and somebody somewhere who is not revealed, a phone number which is not revealed, transfers money at will at his own time, an amount of money which is not indicated Mr. Speaker, then that means something somewhere is wrong and I can promise this Assembly that one day one time, somebody will be in jail.

I want to go to page 10. In terms of recommendation, my chairman for Implementation committee Hon. Alphonse Wambua of Iveti ward, you find that implementation of the Acts which were passed as an Assembly, because we passed a Sand Act, we also passed something to do with water Mr. Speaker and you can see the recommendation which this ad-hoc committee passed and they are saying very clearly, if somebody is sleeping on his job, on item number 5 on non-implementation of the Sand Harvesting Act which is a key revenue source of the county implies that the county has not fully exploited this revenue resource.

Instead, individuals with interests have been allowed to interfere with the sand industry, reason being we have somebody in the Executive who is not willing; totally and truly not willing

to support the people of Machakos County to be able to collect the revenue where people have accepted to do that particular business. Something is wrong somewhere, Mr. Speaker.

Item number 4, the accounting officer in the department of Finance should account for the reasons as to why no funds were transferred to CBK in June 2015; nothing was received by our custodian for the local revenue collection, that is the Central Bank of Kenya in the full month of June 2015. Does it mean that all the clericals did not collect a single cent? It means there is something very wrong. The report is good because it is guiding us according to the statements we have been seeking in this Assembly.

Mr. Speaker, this report has made our work easier because we now know the points of target. We have known clearly which point of target, which CEC member is not working, which Chief Officer is not working and those people, there is one thing we call lifting the corporate veil.

Mr. Speaker, we need to know who is this person who has this secret number; the telephone number which is not revealed. That officer should be brought to this House to answer some critical questions. I rest my case as I say, this County Government of Machakos, if I was requested to give a rating, I would say we have performed at less than 10 per cent, Mr. Speaker. I rest my case.

**Hon. Speaker:** Thank you. Maybe we can hear the chairperson. There are few critical points that have been raised by Hon. Kathinzi, particularly on the matter of the cellphone number and I am also wondering, when you look at your recommendation number 1, page 10, you are saying that the office of the Auditor General should investigate.

When you look at Article 229, sub-article 4 of the Constitution, the functions of the Auditor General are those of taking accounts and auditing. There is no function to investigate. Why can't you make us really understand, particularly on the matter of the cell number as raised and how sweeping is done?

**Hon. Nzioki:** Mr. Speaker, if I may just give some clarity on how the till numbers work, when you are operating on a till number, Mr. Speaker, when money is collected and sent to that till number, it goes to the M-Pesa account in Safaricom. Mr. Speaker, it is only the till number holder, through his phone, who can transfer that money to his account or to any other account that he wants or even make payments from that account number. Mr. Speaker, that is to say there is a phone number that is operated by the County Government which is not revealed and which we could not get the owner who operates that number, who transfers money now to the commercial banks from the till number.

Mr. Speaker, from the commercial banks, there is also a command from either the CEC Member or from the Finance Department of a person who also commands the transfer of money from the commercial banks to the Central Bank.

Mr. Speaker, what I would say is that it has not been very clear and it has not been very easy to obtain some of this information. I would say that it is a pointer for this committee to hand over the same to the Finance and Revenue Collection committee to further on the investigations of how they operate. Thank you, Mr. Speaker.

**Hon. Speaker:** Hon. Chairperson, you have talked about a cellphone number that is able to reverse transactions. Is that really possible?

**Hon. Nzioki:** Mr. Speaker, that is the version that I got from the operations in till numbers from the M-Pesa accounts.

**Hon. Speaker:** Okay. Let us proceed. Yes, clarification.

**Hon. Kitheka:** First and foremost, thank you very much, Mr. Speaker, as I try to make my point. First, I wish to clarify on this issue at hand about the till number and about the account number of a cell phone number. First and foremost, the input of whatever comes from the till number is from a pool from different corners, but what comes from the till number to any other destination is from a single source and cannot be made by different individuals; it is made by one person.

Secondly, the money in the pool of a till number, transfers are made through a cell phone number and they cannot operate without a cellphone number, so at the end of the day, as they were trying to investigate, there must be a phone number which is being used to transfer the money from the till number account to the KCB account and on the other hand, on the receiver end, there is a code which receives the money because it cannot be received by any other account; it is received by one account on the other side.

So, Mr. Speaker, there is a very big racket in this issue of the till number, the transfer of money and all this kind of business. That is to say that more than half of the money which is transacted within a single day is not remitted to the account, simply because it is very clear evidence; if you go to page 8, the fourth line, there is a time this number transferred Kshs. 500 on 21st July. Seriously even the owners of phone numbers in this room sometimes transfer more than this and this is an account of the county government of Machakos transferring money from a till number to an account, then to CBK.

Mr. Speaker, this is a very big racket and I presume, a lot of money is going into pockets of some individuals. Mr. Speaker, there might be a host of this same account to another host account which receives the money, at the same time transferred from the till number at the same time, more than the amount which is received by the county government of Machakos.

Mr. Speaker, notwithstanding all this, I wish to point out that when I and some of other Members here were in the former regime, the Municipal Councils of Machakos and Kangundo and Mavoko County Councils, we collected more than this amount that is being put in papers right now.

*(Applause)*

---and that is exactly five years ago; almost five years ago, and I assure you I have just received this as a shock when I see that the amount collected from the bus park of Machakos is almost Kshs. 640,000 within a week, of which we almost collected that amount within one day

when we had a Rapid Results Initiative (RRI) to collect funds for the Municipal Council of Machakos.

Mr. Speaker, I wish to point out that a lot of money is used, the raw revenue is used even before it is remitted to the County Government of Machakos and for instance, one of the officers right now is going round building motorbike sheds and he is the Director for Revenue, and when you ask him, he says, 'there is no budget for this; it was just proposed in the Assembly and we have taken the initiative of building them.' You ask him where he is getting the money and he tells you 'I am the custodian of the money for Machakos.' That is a clear indication that there is use of raw revenue in Machakos County.

Mr. Speaker, I think I would also point out on the issue of the conflict---

**Hon. Speaker:** Maybe Hon. Kitheka, perhaps before I forget, allow me to ask the chairperson, *ad hoc*---

**Hon. Kitheka:** As I sit?

**Hon. Speaker:** Yes, please. To the chairman, when you were doing this assignment, I don't know whether you engaged the services of an expert from Safaricom or these were your attempts to understand the system?

**Hon. Nzioki:** Mr. Speaker, at one point we tried to engage the Safaricom officers and they could only take us through the process and the working systems. They could not reveal to us what happens in that particular till number, or any other till number, for that matter.

**Hon. Speaker:** So you engaged an expert from Safaricom who helped you and took statements and you considered the expertise as you prepared this report?

**Hon. Nzioki:** Mr. Speaker, we did not get anything in writing. We only got to know how till numbers work.

**Hon. Speaker:** My question is; did an expert help you as a committee as you were doing this?

**Hon. Nzioki:** Yes, Mr. Speaker.

**Hon. Speaker:** Proceed, Hon. Kitheka.

**Hon. Kitheka:** Mr. Speaker, for clarification, nobody can give you information of a till number which you are not authorized to get the information, so even if they questioned, they didn't get the information of the transactions within that number.

Mr. Speaker, I wish to point out on the conflict of two points of enforcement. There is enforcement from the revenue collectors and there is also the enforcement from the other side of the decentralized unit. Mr. Speaker, there is a lot of fighting in the County Government of

Machakos from those two units, simply because they don't get command from the same point. Some get command from elsewhere and the others get command from another source, so at the end of the day, some are trying to enforce the law while others are trying to get money from the taxpayers. At the end of the day, it is a very big fight and I have seen it in Machakos Bus Park where you find officers who come to work even when they are on leave.

*(Applause)*

They come to sit at the bus park, they stay there for a whole day, tomorrow and the day after tomorrow, simply because they know what they earn from the park and they don't care whether they stay there for 24 hours or not and you find on the other hand, the reinforcement officers who come with the revenue vehicles go round and they are in conflict with these people because these officers somehow, are protecting some businessmen not to pay. At the end of the day, you find a lot of fighting.

Mr. Speaker, I wish also to point out on the issue of caring for our employees. Mr. Speaker, you find that our employees have been taken for granted for long. You find that their salaries are delayed, their allowances are delayed and even the statutory deductions are not remitted.

Even for their SACCO, money is not paid, so at the end of the day. As a human resource management expert, I know what is within the law about this thing, it demoralizes these officers to an extent that even they may opt to collect the money and put it in their pockets instead of even remitting it, simply because there is no close supervision, there is no close care for the officers. Otherwise, Mr. Speaker, we may end up losing a lot of revenue from this point.

To finalize, aware of issues of systems and networks, when you hear somebody telling you that the system is low, the system has got a problem, the network has got a problem and they are not collecting money when the system is in that turbulent state, know that a network can be compromised because the networks we are using are networks which we pay for and you can compromise the network by not paying or even making delays to make you achieve what you want.

So, Mr. Speaker, the issue of networks here we should get an expert to deal with the issue of the Safaricom number and the issue of networks to know, what exactly happens when the networks are low or are not available for a full day. Where does that money go and if it is collected manually, how is it accounted for? Because we can see in the report, there are times they don't have the receipt books, they don't have books, they don't even have pens; where do they collect money and how do they account for that?

Mr. Speaker, I think this is a good report and if all what is in this report is implemented, we are going to achieve what we have been looking for. Thank you, Mr. Speaker.

**Hon. Speaker:** Thank you. Yes, Hon. Nzoka.

**Hon. Nzoka:** Mr. Speaker, in fact I congratulate the committee and it has come up with what we have been talking of and now it can be seen. I don't want to repeat what has been said because it has been said much. There is this banking system, there is a difference of Kshs.

279,000 and when you go to the other side there is this person with this phone which is not known up to now.

They deposit in the till number, they pay through till number and the money is accumulated there and that is the reason why you can see they are banking Kshs. 500 instead of Kshs. 5 Million and I can say this through what was brought here by chairperson, Finance. He came up with the collections of four days when they went to Mavoko. They collected more than Kshs. 600,000 per day and the highest was more than Kshs. 700,000. The report was here and before, it was Kshs. 140,000 up to Kshs. 160,000. We have now known, after doing the tilling, there is someone waiting to say 'this goes here and this one goes here.'

After they had exhausted what was there, that is why they sent the Kshs. 500 to mean that they were on business that day. This is stealing of experts and it is rooting in this county. Again, when I was a councilor in the County Council of Kangundo, at Tala we were collecting on a market day, at least Kshs. 300,000. Now if you go there they can collect even Kshs. 50,000 or even Kshs. 10,000 now and the people have multiplied, businesses have multiplied, but we cannot see anything.

You can see what was being collected by the former municipal and county councils are far much higher than what we are collecting now. So, I think this House should agree that we have a government which is being led by crooks and this is what they are doing now.

*(Laughter)*

We were sent here by our people to protect them. In fact, this is the time to take action. We cannot wait for our people, for some project to stall. As you can see they have stalled because of lack of money and the money is there; the money is being pocketed, the evidence is here and also the other one is finance.

The Minority Leader here can agree we are collecting more than what is going, so we do request. Let us call a spade a spade; this is rotten. Can we do something, can this House do something to see how we can assist our people. Everybody is crying in each ward. The projects have stalled because of this. So Kindly I request this House to pull up its socks and try to see how we can rectify this. Thank you, Mr. Speaker.

**Hon. Speaker:** Hon. Nzoka, in your address you talked about crooks. Can you substantiate?

**Hon. Nzoka:** I think the meaning of crook in English is someone who is doing wrong and we can witness here, so they are crooks; a government of crooks.

*(Laughter)*

**Hon. Speaker:** Let us hear Hon. Ngunzi.

**Hon. Ngunzi:** Mr. Speaker, I want to congratulate the team that was doing this work and that they have been able, although not very comprehensively, they have been able to come up

with something that is giving us some light into the activities of the Finance department of the County Government of Machakos.

Most of us agree that the committee should have looked into the tee-thence of the secret number that they are talking of because as I have always talked that this Assembly has lacked teeth. If the committee had teeth and the total backing of the leadership of the House, they could have looked into the number and who owns the number because that is where the problem lies. With teeth, and I have seen committees of the National Assembly question servants of the government and no information is treated as classified unless stated so by the Constitution.

I don't think this number is among the information that is classified in the county. We still demand that the number be identified and who operates the number and with whose instructions, because the holder of the number may be a junior officer who works under instruction.

Mr. Speaker, I was looking at the transfers from the County Treasury to the Central Bank and wondered if at one moment Kshs. 3,000 was transferred, Kshs. 500 was transferred on a particular day.

Mr. Speaker, if you look at Matuu and the number of vehicles and the *mama mbogas* who pay on daily basis because the *matatus* and the buses pay on daily basis, looking at Mlolongo taxis and parking at Machakos town and Tala, Kangundo, Kathiani, just to mention but a few, Mr. Speaker, simple mathematics, in a single day, all *mama mbogas*, if you invited them from eating here in Machakos, all *mama mbogas* from the villages up to here, they would be ferried by trains and not buses, Mr. Speaker and each paying an average of Kshs. 30 and the *matatus* on an average of Kshs. 150 or Kshs. 200 and they ply every day. Mr. Speaker, that tells us that this County has lots of potential to collect funds; to do what we have not been able to do for the four years that we have been here.

Mr. Speaker remember that ECD classes have stalled because of lack of money but, I was looking at, if the Central Government collected money revenue the way we do it at the County level Mr. Speaker, and we are dependent on funds from the National Government, if they were not as serious as they are and we are expected to run the counties and the assemblies and everything, Mr. Speaker, we expected money from the Central Government and the Central Government has been very good in remitting our contributions every other month.

Mr. Speaker, we would be in a country that is in shit Mr. Speaker, but this tells us that we need the whole report here because in coming up with targets Mr. Speaker, in 2013/2014, we came up with a target of Kshs. 2...., Mr. Chairman has given us contradicting figures here but it was more than Kshs. 2.7 billion. In coming up with the target, there must have been figures that were carried from the former defunct County Councils.

We have not been able; here he is telling us that we collected Kshs. 900 million, again he is telling us we have collected Kshs. 1.17 and the following year 2014/2015, we had a target of Kshs. 2. 8 billion and we collected less than Kshs. 1.4 billion and we had gone high giving ourselves figures that we have not been able to realize. One thing tells me that they know; those who come up with the targets know we can achieve them. That is our potential, we are losing money in between Mr. Speaker, and we need yet to have another committee that is serious Mr. Speaker, and you and the House Leadership that is led by the Majority Leader, give them the



power to act, Mr. Speaker. We want to get to every other information that is not classified so that we come up with a report that is prudent before this House.

**Hon. Speaker:** Hon. Ngunzi, there is no power we have taken away from the Chairperson. It is the Chairperson perhaps who is being conservative.

**Hon. Ngunzi:** Mr. Speaker, it has with over time had no teeth. Mr. Speaker, remember the Kithimani crusher is still running. We stopped it Mr. Speaker; it is still running and I was there and I felt like I wanted to cry because the House has no teeth and there is nothing I can do. We have no teeth, Mr. Speaker. We stopped the portraits of the Governor many years ago; he is still putting them and we are doing nothing, Mr. Speaker. We have no teeth and I want to repeat Mr. Speaker, if you give us the teeth, we will bite.

*(Laughter)*

**Hon. Speaker:** Proceed.

**Hon. Ngunzi:** Mr. Speaker, I want to conclude by saying, we are losing money. We have sat and watched our boys here, our workers pocket money that is meant for the public. Thank you.

**Hon. Speaker:** Yes, let us hear the chair, Legal.

**Hon. Itumo:** Thank you Mr. Speaker, the son of Machakos soil. I stand to support the report. Mr. Speaker, you realize it is not the first day that we have been passing reports Mr. Speaker and they are not implemented and one of my fellow Hon. Member has put a lot of emphasis that we should have teeth to bite, Mr. Speaker. I believe this is the eleventh hour and it is very important for us Hon. Members at this eleventh hour to act because sometimes when I was contributing in this House, I said at one time what is happening on the other side that is the Executive side, we termed it as an accident. We came another time as a coincidence and last it has become a tendency and the time to act has come, Mr. Speaker.

We should have good scissors; teeth that can bite through the flesh to the bone. If it means to censure, we should do it with our backbone so that the development of this particular County may come to, Mr. Speaker. You also realize that we have a lot of development that has not been done in terms of hospitals, ECD classes, and it is from this revenue collection that Mr. Speaker, we are supposed to do those kinds of developments, Mr. Speaker, and it is very sad if that money goes to someone's pocket. Mr. Speaker, can we start as soon as we pass this report and then we act, Mr. Speaker. Please let us act. Thank you, Mr. Speaker.

**Hon. Speaker:** Yes, Chairman Finance

**Hon. Nzeki:** I want to commend the committee. It has done a very good job and it has also touched some of the items that I highlighted in the income and expenditure report for

2014/2015 financial year and before Hon .Speaker, I would like to bring to your attention that page 7, statements of the account for M-Pesa till number transfers. It is said here, “Mr. Speaker, Sir, the Committee requested the department to provide details of how revenue collected was transferred...” there I think was some typing error of something like that. Money was transferred from County Revenue Fund, not to. So, it should read, it was transferred from the County Revenue Fund to the Central Bank of Kenya. It should read that way.

I come to the point now, as Hon. Member for Machakos Town had said, that we had a RRI by the year 2009 and I managed because by then I was Finance Chairman. By then I managed to collect...there were times we collected Kshs. 90,000, Kshs. 95,000 but other times we collected Kshs. 100,000. This time round, it is seen as though we are collecting Kshs. 640,000 divide by 7 days, you get less than that amount.

To give an inside job what is happening at bus park, in the evening, if you happen to go there just at Mulley’s Supermarket, you will find everybody from Machakos County is at that gate and there are other times you will find there are fights at that bus park. So many workers are there. They have to part with their money and it is said that they should be given their money and if they are not given, there is a lot of fights then there are so many injuries which happen to be there and I have attested to that.

On money deposited on this account 656500, Mr. speaker Sir, I should ask this Hon. House to issue statement to Safaricom to be given a statement of M-Pesa of that account because as a committee has highlighted, they have said somebody somewhere is in-charge of that M-Pesa account and I am happy that our Hon. Majority Leader is a member of this committee and was there when this report was drafted and it has now landed in the right place, so we should ask where the person who is in-charge of this 656500 and the money is supposed to go to the Machakos County Revenue Fund then I understand it first circulates; it doesn't go straight to the County Revenue Fund.

It is suspended somewhere then after that it is directed to Machakos County Revenue Fund. Mr. Speaker, Sir, I am requesting this Hon. House to check on that and this report has really helped and it has brought to my attention that nobody will refer that report I have brought to this Hon. House because now everything is laid on the table.

On money transfers, there must be some charges. I do not see how somebody can transfer money from Machakos County Revenue Fund three times a day and there must be some charges; we must save our money. I do not see why the CEC Finance is transferring money. Today in the morning, she said that money should be transferred to Machakos County Revenue Fund...I am trying to highlight...I do not see why in one day, there must be four transfers and there must be some charges. Why is she not protecting our money? Mr. Speaker, Sir, we should know why the money cannot be transferred at the end of the day from Machakos Revenue Fund to CBK. Thank you, Mr. Speaker, Sir.

**Hon. Speaker:** Let me hear Hon. Cecilia.

**Hon. (Ms.) Sereka:** I want to thank the Hon. Members for supporting this motion. Mr. Speaker, a lot of revenue is going into people’s pocket even as we talk. Mr. Speaker, Sir, those people who are supposed to take good care of our money are the ones who are using our money

badly and they are using this pay bill number to get money and as we talk now, a week ago, two weeks ago, I was so surprised to find somebody, a senior person in the Ministry of Finance Mavoko giving out waivers and there is nothing called waiver at this time of the hour, but people are going there, give something small and you are given; your rates are waived.

Mr. Speaker, these people are just trying to get what they can get for now and they are not even worried what the Assembly is doing. As one of the Members has just said, I think we are toothless Mr. Speaker, and this is the high time that we should wake up and see more for our people. Our people are crying, our County is going down because of some few individuals Mr. Speaker and it is a cartel....as we talk now Mr. Speaker, it is a cartel and the best thing to do to dismantle this cartel is to have a very serious reshuffle in the Ministry of Finance.

The Directors are really getting out of hand and I think there is somebody who is covering them up Mr. Speaker and this is the high time the Minister Finance, the committee for Finance must wake up and know what is really happening to the monies of Machakos County and Mr. Speaker, again, the committee of Finance should go out and dig more and know where our revenue is really getting out because if you go to the quarries Mr. Speaker, like what the Hon. Chairperson, Finance said, some of us were in the previous Council Mr. Speaker and like me I was in Mavoko Municipal Council and the Council was able to pay everything and the workers were very happy. Now our workers are really crying Mr. Speaker; a lot of transfers, there is no money even for them to go where they are supposed to go, they are not paid and our people are really crying. Mr. Speaker if you go out there you will see somebody can be transferred to Masinga, the family is in Machakos or in Mavoko and there is even no transfer allowance.

This is the high time this Assembly should sit down and know the way forward and Mr. Speaker, if you talk, and those people know that you want to know more about the revenue, those people who are around you are being mistreated and even transferred from the department of Revenue to other departments Mr. Speaker and very soon I am going to table another motion here because I know of a lot of things that are happening down there. Thank you, Mr. Speaker and thank you.

**Hon. Speaker:** Yes, Hon. Christine.

**Hon. (Ms.) Mutune:** Mr. Speaker, from the look of things, we can understand that this is not revenue collection; this is a partnership business going on. When you see workers buying paraffin, torch batteries, it means we are going to share the profit. Mr. Speaker, I think the officers in charge of our revenue are part of the partnership because they allow the workers to use our money because when you collect revenue and you have used your own money, you first get back your own money then you give back the rest to the officers, meaning that, even the officers with the above position also get there share and they forward the rest.

Mr. Speaker, this Assembly has teeth and they can bite. It is only that once we want to bite, something happens; once we are ready to bite, something happens. It is the high time we stand to protect the people of Machakos County because as you know Mr. Speaker, from a visit which was done by the revenue collection committee...Protect me Mr. Speaker---

**Hon. Speaker:** Point of order is denied.

**Hon. (Ms.) Mutune:** Mr. Speaker, Sir the committee of Finance went to Mavoko one time ago and they collected a lot money in one day and when they left, the business went back to usual; they pocket theirs, they forward the rest. We should not stop at this point. Now the implementation committee should take action because I have seen a recommendation made by the committee that the officers in charge of revenue should be accountable. Thank you Mr. Speaker, Sir.

**Hon. Speaker:** Thank you; I have not heard Hon. Rachael for a long time.

**Hon. (Ms.) R. Nduku:** Mr. Speaker, Sir, with a lot of respect to this Hon. House, I want to raise a point of concern and first I want to congratulate the Chairman of the ad-hoc committee and also for all the contributions which are made in this House, they are very relevant because our people are crying out there. I just want to point out page 10 number 4, that the accounting officer in the department of Finance should account for the reason why no funds were transferred in CBK in June 2015, and why some months in the fiscal year 2014/2015 very little money was transferred to CBK.

In relation to this Mr. Speaker and the reason why most of my fellow Hon. Members are crying for their tooth to bite, it is because most of the reports here even from the Finance committee, have been quoting this finance officer in several reports but nothing has been made to this so I just want to raise my concern to do something to this report and as what Hon. Christine has said, sometimes when we want to do something to help our people, something else comes up. I want to ask this Hon. House, if you want to help our people we should play our role and play it correctly. Thank you, very much Mr. Speaker.

**Hon. Speaker:** Thank you. Let me allow Hon. Nduva and then Hon. Kasoa.

**Hon. Nduva:** Mr. Speaker, I want to congratulate the committee for a good work that they have done. Mr. Speaker, it goes without saying because what has been highlighted here by the committee is something that many a times Mr. Speaker we have discussed in this House having been brought by the committee on Finance. Mr. Speaker, I want to mention a few points. Here there is nothing to hide that resources or funds of this County Government of Machakos are being pocketed by officers that we trust to have taken care of the funds.

Mr. Speaker, if you look at the document that we were interrogating in Mombasa, we could not continue because of the figures that were put there and Mr. Speaker to mention, the way it was designed. Mr. Speaker that document represented monies and the person who did it had a point. Mr. Speaker what I want to recommend to this House, I want to request this Hon. House, the officers of this County Government need to be audited. Senior officers in this Government need to be audited and they should declare their wealth.

Mr. Speaker, there is nothing to hide here that people or officers are owning billions of shillings and we knew them when they came. So, Mr. Speaker, it is a clear indication where this wealth has come from because this document shows clearly the monies or the funds designed for

the people of Machakos are getting to people's pockets. So, Mr. Speaker, with all due respect, it is this Hon. House that will be blamed in the later days to have not done their part when they were in office. Thank you, Mr. Speaker.

**Hon. Speaker:** Thank you. Let us hear Hon. Kasoa.

**Minority Leader (Hon. Kasoa):** Mr. Speaker, let me start by applauding the committee for coming with a good report. Mr. Speaker we understand Members of this House pass good budgets for the benefit of the people of Machakos County and Mr. Speaker, if you go through this report, you will find what is happening is the embezzlement of funds, misappropriation and stealing.

Mr. Speaker, if you check recommendation of the committee number 4, it is centered on the accounting officer who is the Chief Officer. Mr. Speaker, what I can say on the recommendation is that we urge the Chief Officer for Finance to step aside;

*(Applause)*

---failure to do so, I am urging the Chairman of this ad-hoc committee to bring a censure motion to discuss her. Thank you, Mr. Speaker.

**Hon. Speaker:** Let us hear the Majority Leader.

**Majority Leader (Hon. Mwonga):** Mr. Speaker, I am a Member of this committee which came up with this report and Mr. Speaker, on this I am agreeing 10 per cent with the House.

*(Applause)*

Mr. Speaker, I have listened carefully to the contributions which have been made by Hon. Members and as you know and the House knows, I am doing my Bachelors in Leadership and Management Mr. Speaker and one of my lecturers who is taking us on leadership told us there are very many types of leaders, Mr. Speaker.

We have democratic leaders, transactional leaders, transition leaders, just naming but a few, Mr. Speaker, autocratic leaders and servant leaders, Mr. Speaker. On this, I am taking the position of a servant leader who Mr. Speaker, sometimes takes the back seat and allows the flock to lead. Mr. Speaker, I want to encourage this House and tell them Mr. Speaker, nobody has plucked off our tooth, Mr. Speaker; it is only we who do not want to bite and maybe Mr. Speaker, this is the time. Thank you.

**Hon. Speaker:** Alright Members, let us hear the mover.

**Hon. Nzioki:** Mr. Speaker, I want to take this opportunity to thank all the Members who have supported this report and just to add on a few things on what we have said. Mr. Speaker, it

is true that there is some improvement in our revenue collection. However that little that we are collecting more, we are losing the same monies to sources that we do not know. Mr. Speaker, between the M-Pesa till number to the commercial banks and from the commercial bank to Central Bank, there is no order of transfers and it looks like there is nobody who can explain what happens and I believe and know that this is where we are losing our money.

Mr. Speaker, targets are set on previous collections, if my accounting knowledge leads me right. Mr. Speaker, it does not make sense to think of collecting Kshs. 2.7 billion and you end up collecting Kshs. 1.1 billion. It does not make sense; either there is somebody playing with other people's minds. I was a Member of Finance and Revenue Collection committee until five months ago and the kind of figures we got from the revenue collections, Mr. Speaker were shocking because they were not realistic. It looks like they were cooked up figures.

Mr. Speaker, I am saying to the Members, some Members have said that we have no teeth; what I would say, I know we have teeth, it is only that when it comes to biting, we bite our own fingers and we cannot tear them, Mr. Speaker; they are painful, but if you bite somebody else's fingers, we can bite fully. It is solely our blame not to bite other people fingers that we are biting our own fingers.

Otherwise Mr. Speaker, I thank the Members for supporting the report and I am grateful for the opportunity that they have given me. Thank you, Mr. Speaker.

**Hon. Speaker:** Thank you. Maybe before I proceed and put the question, I want to hear the chair, Finance. If the House would recall, the circumstances of forming this ad-hoc committee was to pinpoint on areas of challenges and that has been successfully done by Hon. Peter Nzioki. I don't know whether the chair, Finance can tell us on how he intends to proceed and analyze the challenges that have now been identified.

**Hon. Nzeki:** Hon. Speaker, before I say that, I would say that the committee that was established, that is the ad-ho committee, did a lot of work to simplify my work as the chair, Finance and to my surprise, when we went to 2015/2016 income and expenditure, we found that we collected less than what was collected in 2014/2015. It means that there is still a lot of looting in revenue collection because the amount collected last financial year has dropped from Kshs. 1.3 billion to Kshs. 1.1 billion.

As some Members have said, we need to have some reshuffles in the Ministry of Finance and Revenue Collection. I will follow up on the matter which has been raised by that ad-hoc committee and next week we will have to discuss about the income and expenditure report for 2015/2016 and the report will be good as some of the contents are highlighted here. Thank you Mr. Speaker, Sir.

*(Question put and agreed to)*

## ADJOURNMENT

**Hon. Speaker:** Your term has ended; this was an *ad hoc* committee. Thank you very much. The House adjourns.

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The House rose at 4.18 p.m.