

REPUBLIC OF KENYA

MACHAKOS COUNTY ASSEMBLY

OFFICIAL REPORT

Tuesday, 4th April, 2017

The House met at 10.06 a.m.

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

PRAYERS

COMMUNICATION FROM THE CHAIR

BUDGET ESTIMATES FOR 2017/2018

Hon. Speaker: Hon. Members, pursuant to section 129 (2)(a) of the Public Finance Management Act, 2014, the County Executive member for Finance shall submit to the County Assembly the budget estimates, supporting documents and any other Bills required to implement the budget except the Finance Bill by 30th of April in that year.

However, a proposal to amend the budget calendar for the financial year 2017/ 018 Medium Term Expenditure Framework to factor in the administrative changes brought about by the scheduling of the General Elections in August this year was forwarded to the County Assembly. As a result, draft Budget Estimates were to be submitted to the County Assembly on 27th January, 2017 and the deadline for passing the Appropriation Bill was to be 31st March, 2017 but the same was not feasible for the County. Consequently, the Office of the Clerk received the draft financial year 2017/2018 Budget Estimates from the County Treasury on 23rd March, 2017 but several concerns were raised on the same.

The CEC, Finance has since clarified on the issues raised and revised drafts estimates were received in the office of the Clerk yesterday, 3rd April, 2017. The estimates are consequently committed to the committee on Budget and Appropriation for further interrogation and I would urge that due to time constraints, the committee invites their counterparts from the Finance and Revenue Collection committee to assist in those interrogations. Thank you. Let us proceed.

PAPER LAID

REPORT ON REVENUE MONITORING AND ENHANCEMENT

Hon. Nzeki: Hon. Speaker, pursuant to Standing Order 190 (5), I beg to lay the following Paper on the Table of this Assembly today, 4th April, 2017: the report on Finance and Revenue

Collection committee on the revenue monitoring and enhancement exercise in the County. Thank you, Mr. Speaker, Sir.

Hon. Speaker: The paper is laid. Proceed.

NOTICE OF MOTION

REPORT ON REVENUE MONITORING AND ENHANCEMENT

Hon. Nzeki: Mr. Speaker, Sir, pursuant to Standing Order 190(5), I wish to give notice of the following motion: that this Hon. House discusses and approves the report of the Finance and Revenue Collection committee on the revenue monitoring and enhancement exercise in the County. Thank you, Mr. Speaker, Sir.

Hon. Speaker: Thank you. Notice issued.

STATEMENT

BUSINESS FOR THE HOUSE FROM 4TH TO 5TH APRIL, 2017

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 on Monday, 3rd April, 2017 and pursuant to the provisions of the Standing Order 151, balloted business for the week starting on 4th to 5th April, 2017 as follows:-

Tuesday Morning, 4th April, 2017

Report of the Public Accounts and Investments Committee on Machakos County Government for 2014/15.

Tuesday Afternoon, 4th April, 2017

Report of Finance and Revenue Collection Committee on Revenue Monitoring and enhancement exercise in the County.

Report of committee on selection on nomination of Members to various committees

Wednesday Morning, 5th April, 2017

Report of Health and Emergency Services Committee on effects of three months doctors' strike that ended in March, 2017.

Motion on recycling of solid waste collected within the County by Hon. Edrick Ngunzi (Debate).

Wednesday Afternoon, 5th April, 2017

Report of Agriculture and Cooperative Development Committee of Chicks program at ATC.

Motion on adjournment for recess.
Thank you, Mr. Speaker, Sir.

Hon. Speaker: Statement issued. Proceed.

MOTION

FINANCIAL STATEMENTS OF MACHAKOS COUNTY GOVERNMENT UPTO 30TH JUNE, 2015

(Hon. Kanui on 29.03.2017)

(Resumption of Debate on the Motion tabled on 29.03.2017)

Hon. Kanui: Mr. Speaker, Sir, aware;

THAT some of the mandate of the County Public Accounts and Investments committee as per Standing Order 185 (2) is examination of accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the committee may think fit and also examination of the reports, accounts and workings of the County Public Investments;

Mr. Speaker, Sir, aware THAT it is the responsibility of all audited departments to submit financial statements to the Auditor General in accordance with the provisions of section 4 of the Public Audit Act, 2003;

Mr. Speaker, Sir, aware THAT accountability is very key in realizing value for public money;

I wish to move the motion THAT this Hon. House discusses and approves the report of the Auditor General by the Public Accounts and Investments committee on the financial statements of the County Government of Machakos for the year ended 30th June, 2015.

I wish to call upon Hon. Ndalana to second this motion.

Hon. (Ms.) Ndalana: Mr. Speaker, Sir, I stand here to second this motion and urge all Hon. Members to debate it fully and support. Thank you, Mr. Speaker, Sir.

Hon. Speaker: The motion is laid. Take us through the report.

Hon. Kanui: Mr. Speaker, Sir, on behalf of Members of the Machakos County Assembly Public Accounts and Investments committee, I beg to move the adoption of the report of the Auditor-General on the financial statements of the County Government of Machakos for the year ended 30th June, 2015.

The County Public Accounts and Investments Committee is a select Committee established under the Standing Order 185 and is responsible for the examination of the working of public accounts and investments. The committee was constituted by the Assembly on 30th April, 2013 pursuant to Standing Order 185.

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Pursuant to Standing Order 185(1) and 185(2), there shall be a select committee to be designated the County Public Accounts and Investments committee which shall be responsible for;

- a) The examination of the accounts showing the appropriation of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the committee may think fit.
- b) The examination of the reports, accounts and workings of the County Public Investments committee.
- c) The examination, in the context of the autonomy and efficiency of the County Public Investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices.

Provided that the Committee shall not examine any of the following, namely:

- i) Matters of major County or National Government policy as distinct from business or commercial functions of the public investments;
- ii) Matters of day-to-day administration; and
- iii) Matters for the consideration of which machinery is established by any special statute under which a particular county public investment is established.

Mr. Speaker, Sir, this report was deliberated and approved by the undersigned Committee members.

1. Hon. Winston Kanui -Chairperson
2. Hon. (Ms.) Margaret Ndalana -Vice Chairperson
3. Hon. Thomas Kasoa -Member
4. Hon. Mutua Mutuku -Member

The committee acknowledges the assistance of the following members of staff in collecting the evidence, analyzing reports and organizing the final report. The following are the staff:-

1. Ruth Mwaniki - Senior Clerk Assistant
2. Susan Kiluva - Clerk Assistant III
3. Susan Kanini - Senior Internal Auditor
4. Dalmas Masila - Senior Research Officer
5. Rebecca Mutua - Senior Fiscal Analyst
6. Dorcas Njoki - Hansard Reporter

The committee also acknowledges the technical assistance of the staff from Kenya National Audit Office during the report interrogations. Kenya National Audit Office was represented by the people mentioned below:-

1. Mr. Peter Ndegwa
2. Mr. Henry Manegene
3. Mr. Nyamamba

Evidence Taken During the Session

The committee commenced its sittings on 27th February, 2017 and held several sittings in which the relevant accounting officer appeared before the committee to explain and respond to queries which had been raised by the Auditor General in the audit report. The committee also had

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an opportunity to site visit some of the projects mentioned in the report that had either stalled or raised great concern during the interrogation. For instance, the committee visited the stalled Governor's Office.

Although the accounting officer appeared in the committee to provide the required information during the interrogation, the committee noted with great concern that the officer delayed to avail the required supporting documents or information on time and this greatly affected the schedule of the committee.

Mr Speaker, Sir, allow me to thank the Members of the committee for their efforts, commitment and exemplary performance in ensuring the successful production of this report. Mr Speaker, Sir, the committee has documented their observations and given their recommendations through consensus after thorough deliberations. The committee hopes that their recommendations and those by the Auditor General will be implemented fully.

General Observations and Recommendations

Stated here below is a summary of the committee observations and recommendations on some of the main queries raised in the report of the Auditor General:-

Delay by Accounting Officers in responding to issues raised by the Auditors during the audit period.

During the time of audit, the Auditor General issued management letters to accounting officers to respond to audit queries before the final audit report was produced. However, there were several cases where the accounting officers delayed to produce evidence leading to audit queries that would have otherwise been avoided. In this regard, the committee recommends that accounting officers must respond promptly to management letters issued by the Auditor General otherwise such should be sanctioned by the appointing authority.

Mr. Speaker, Sir, Standing Order 181 states that within 60 days of a resolution of the House or adoption of the report of the select committee, the relevant Executive Committee Member under whose portfolio the implementation of the resolution falls, shall provide a report to the relevant committee of the House in accordance with Article 183 (3) of the Constitution.

Mr. Speaker, Sir, the committee would like to appreciate the Speaker and the Clerk of Machakos County Assembly for facilitating the operations of the committee. The committee also wishes to appreciate the officers who were invited to give evidence. Further, the committee is indebted to the secretariat of Machakos County Assembly and the Kenya National Audit Office for the services rendered. The commitment and dedication of all the parties mentioned above made the programme of the committee smooth and production of this report successful.

Mr. Speaker, Sir, on behalf of the committee, I now wish to table the report and urge the House to adopt it and the recommendations therein. Mr. Speaker, Sir, I want to urge the House to do the discussion today or even tomorrow so as to enable this committee to finish the job that is pending because we have a lot of reports which are pending and we want to dispose them before the House breaks for the election. Thank you, Mr. Speaker, Sir.

Hon. Speaker: Hon. Members, the report is laid. I urge for contributions. Chairman, let us hear you.....you can hear the House is quiet. Let us hear Hon. Nzeki.

Hon. Nzeki: Hon. Speaker. I can see the document is so big that we could not go through while the chairman was reading it and I would like Hon. Speaker to give us time to read it. Thank you.

Hon. Speaker: On that request Chairman, you were requesting for it to be heard this morning or in the afternoon? We can place it for the afternoon to allow Members to go through it. Chairman?

Hon. Kanui: Mr. Speaker, Sir, I do not know but if Members feel that we can discuss it tomorrow morning or in the afternoon, it is my feeling that we should be able to dispense this report as soon as possible so as to enable the committee bring other reports which have been pending. You know the former Chairman was a very old man and sometimes he used to go slow so I want to dispense all the business which was left behind before the House breaks for the elections. I want to know the feeling of the Members but it is my wish that we dispense it today or tomorrow morning. Thank you, Mr. Speaker, Sir.

Hon. Speaker: Yes, Hon. Kyalo Kyuli.

Hon. Kyuli: Age notwithstanding, Mr. Speaker, Sir, this is a report that deserves every Member's input and therefore Mr. Speaker, I am of the opinion that if you so allow and the chairman so allows, we dispense with this report tomorrow in the afternoon if other Members agree. Thank you.

Hon. Speaker: The mover, Hon. Winston Kanui, you are in agreement that the matter can be dealt with tomorrow?

Hon. Kanui: Yes, Mr. Speaker, Sir.

Hon. Speaker: Therefore, the business of this report is therefore deferred to tomorrow morning.

ADJOURNMENT

Hon. Speaker: That is all with the business of the morning.

The House rose at 10.26 a.m.