

## MURANG'A COUNTY ASSEMBLY THE HANSARD

Tuesday, 31<sup>st</sup> March 2015

The House met at 2 :30 p.m.

*(The Speaker Hon. Nduati Kariuki in the Chair)*

### PRAYERS

### NOTICE OF MOTION

AGRICULTURE, LIVESTOCK AND FISHERIES COMMITTEE'S REPORT ON VISIT TO MERU

**Hon. James Kariuki:** Mr. Speaker sir, I beg to give notice of the following motion

That, this Assembly notes the contents of the report of the Agriculture, Livestock and Fisheries committee on the committees visit to Meru, laid on the table of the Assembly on March 31, 2015.

I thank you.

### MOTION

ADOPTION OF THE REPORT OF THE FINANCE AND ECONOMIC PLANNING COMMITTEE  
ON THE DEBT MANAGEMENT STRATEGY PAPER

**Hon. Joseph Kimani;** I thank you Mr. Speaker sir; I beg to move the following motion;-

That, this Assembly adopts the report of the Finance and Economic Planning committee on the Debt Management Strategy paper, laid on the table of the Assembly on March 31, 2015.

The Debt Management Strategy Paper was laid on this Assembly on Tuesday 3<sup>rd</sup> 2014 and....

*(Hon. Charles Kirigwi rose on a point of order)*

**Hon. Charles Kirigwi;** I have noted that we may be not having quorum for this session.

**The Speaker;** Okay we have no quorum the Serjeant- At- Arms may ring the bell.

*(Quorum bell rung)*

*(Several members walked in)*

*(Quorum Attained)*

**Hon. Joseph Kimani:** I had had started on the report and with due respect I recognize the best school in my ward they were the best in KCPE and they said they wanted to come and see how our parliament operates, welcome.

**The Speaker:** They are most welcome.

*(Applause)*

**Hon. Joseph Kimani:** I thank you Mr. Speaker. I was going through the report and I was saying the County Debt Strategy paper was laid in this Assembly on Tuesday 3<sup>rd</sup> March and I know all the members have that report.

As per PFM ACT of 2012, the economic and planning committee has an obligation to consider the Debt Management Strategy paper and table the report in the Assembly

given the significance of paper on the management of public finances and also the budget process. The Assembly's resolution will guide on the budget for 2015/2016 estimates.

Most importantly the Murang'a County Debt Management Strategy paper over the medium term with regard to its actual liability and potential liability in respect of loans and its plan in dealing with those liabilities.

On behalf of the members of committee and pursuant to section 123 of Public Finance Management Act 2013, it is my pleasant duty to present the committee's report on Murang'a County Debt Management Strategy paper to the Assembly for consideration.

Without going through each and every page of the report because I know the hon. members have the document, I will just go through some clauses which I think we should emphasize.

Page three, on examination of the County Management Strategy paper, my committee sat with the County Treasury officers and we went through the debt management paper page by page. We noted that the paper was brought in time as it was brought in this Assembly on 28<sup>th</sup> February 2015, which is the deadline as per the PFM Act.

In the report it has emphasized on the need to borrow where it is touching on long term development and other strategic initiative within the set out frame on county priorities.

On legal framework the committee noted pursuant to Article 212 of the Constitution of Kenya 2010, the county government may borrow money, either be guaranteed by the national government or borrow money through the approval of the County Assembly.

I think those who have the report can see number ten which I think it is very important. It is saying that section 140 of the Public Finance Management Act 2012 provides that the county executive member for finance may on behalf of the county government raise a loan for government purposes only if the loan's terms and conditions are set out in writing and are in line with provisions of Article 212 of Constitution of Kenya 2010 and in section 108 and 142 of PFM Act 2012.

We must appreciate that when we are borrowing money we can borrow either short term or long term loan, but it has a limit as well according to the law. The law states that you can only borrow up to 50 % of your revenues as per the last audited accounts for long term and 5 % on short term.

The committee recognises the need for the County Treasury to comply with all legal provisions when it comes to borrowing.

The Executive came up with a report that they are intending to establish a debt management office which will assist the county by providing the County Treasury with information on debt status and policies and plans. Also available sources on debts, debts instruments, terms and conditions, it will also consider and evaluate and make recommendations on prospective debt proposals. Prepare debt agreements; prepare proposal for debts reconstructing and maintaining debt records.

The committee noted that a loan register should be maintained at all times by the County Treasury, it should show all the loans borrowed by the county. We recommended that the County Treasury be giving us the quarterly reports and also the annual report. That is as per the County Governments Act section 122 (5).

The status of our county debt is outlined in that report. The committee observed that the total amount of the debt that the county owed third parties is Kshs.1.19 billion and these amount constitutes to short term loan which we passed here the other time, they have been left with 190 million. They also have Kshs. 180 million for suppliers and other utilities; they also have Kshs.200 million owed to staff as gratuities and pensions.

Proposed repayment plans as given to us by the County Treasury is not proper because we have very serious challenges in cash flow, and the arrangements as they are in paper, the committee found out that it may not be possible for the county to repay Kshs. 1.19 billion in the next remaining three months, and the committee felt that it is ideal for the money to be contributed over the other period when we are doing the budget so that the county can be able to run well.

We had some few recommendations on Debt Management Strategy Paper and with due respect I would like to go through the recommendations because I feel they are very important. That the County Treasury should submit to the County Assembly both quarterly reports and annual reports of all the loans made to the county government as per the provisions of section 122(5) of the Public Finance Management Act 2012.

That project and program implementation should take into considerations the cash flow challenges and the previous period cash flow statements for various departments used in that regard, to avoid debts, since by the end of every financial year not all revenue is realised or collected. This understanding would help in rolling out plans that can be funded within the fiscal year in question.

That point is very strong because you remember in our last financial year we had budgeted for our local revenue to around Kshs.800 million and we were only able to get Kshs.420 million so we never reached our target. Also when we were closing the year 2013/2014 we had some money that were not utilised because it was given to us towards the end of month. It was about Kshs. 486 million which was brought forward so we felt that that recommendation is very important.

Number three, that only debts that are envisaged under the Debt Management Strategy paper should be considered and no other debt outside the indicated therein should be approved by the County Assembly in the course of particular financial year to ensure sustainability debts.

We as the finance committee had requested to know the status of all the debts as we close the year. We felt that those debts should be considered in the budget. That is why the committee felt that if this Assembly is given debt of Kshs.1.2 billion those are the only debts that will be scheduled to be paid in the course of the financial year. Other debts should not be incurred so that the county can also have financial sustainability.

Number four, Mr. Speaker sir, is that notwithstanding the provision of Section 117 (1) of the PFM Act, 2012, the committee recommends that the County Treasury should, in future, submit the Debt Management Strategy Paper to the Assembly earlier than the statutory deadline.

Mr. Speaker, we felt that if we are given the DMSP sometimes before the deadline, possibly the Finance committee could be able to look at it in depth, instead of being given the paper by the Executive on the last day.

Number five, Mr. Speaker sir, is that the document must in future, contain detailed analysis of the principal list associated with the loans as stipulated in the Debt Management Strategy Paper and the total stock of debts as at the date of the statement. The reason why we also put number five there is that we have also been hearing some rumours that other people or the County has debts which have not been recognised or some works have not actually been given the necessary documents to be quantified. We felt that it is important, as we are saying in number four, to also be given the debts earlier so that we can scrutinise and ask questions on it.

The last one, Mr. Speaker sir, is that the County Treasury should establish a debt management office to handle and advice on the debt management in the County. As I have said earlier in this report, the County Treasury is trying, or, is intending to have the debt management office in place so that it can also be managing the debts and also be advising the Treasury accordingly. Mr. Speaker sir, with those few remarks on the report, I will call my able vice of Finance to second the motion. Thank you very much Mr. Speaker sir.

**Hon. Samuel Wandia:** Thank you Mr. Speaker, I represent Muthithi ward in the Assembly. I don't have to tell all the writings on this paper because my able chairman has done so, but I have few remarks to make on the same. One of them, as I said the other day, is that we have to come up with debt ceilings as an Assembly, so that we can progress. If at all there are no controls, things will go haywire and it will be bad for the County.

Mr. Speaker, as the paper states, it is important that we create a debt management office. It is two years down the line since the government came into place. The time is high that we have a debt management office so that it can keep track and even advice the County Government on where to borrow, what amount to borrow, and the risks involved in borrowing. In the absence of this good office, I do not see things moving well. It is the high time, and, I congratulate the Executive for coming up with this wise decision that we have a debt management office. I pray and hope that it will be created before the next financial year.

Mr. Speaker, I would also state that it is the high time that this Assembly calls for quarterly and annual reports on debts because if we do not do that, we shall only know at the last minute when things go amiss. So, it is important that we always call for the quarterly reports. I know it is my committee that is supposed to call for the quarterly and annual reports on debts, but all the same, I think that because even the members of this Assembly are concerned, they can always come into the rescue of the Finance committee and remind us as to when these quarterly reports are due because it is a collective responsibility.

Mr. Speaker, I have noted and the paper states clearly that the County Government is allowed to make short and long term loans. If it is so, and if it is the County Government that is allowed by the law and the Constitution, I will suggest that, because some of the capital projects like irrigation and roads are eating into a lot of revenue and the County Government is allowed to borrow 50%, it goes for loans which are repayable within a span of period of this government, within the term because we are terminating within the next three years. If we can borrow a little amount to meet our capital projects, it can be good and it can also give relief because some of the funds can also be used elsewhere.

The other one, Mr. Speaker, looking at our present debt position, it lasts to Kshs.1.19 billion. If this one is properly restructured, we can repay this loan within the next three months. We can suspend all the activities which are not essential and urgent and we repay the outstanding loans. It is very pitiful when our contractors go outside there saying that they have not been paid and everybody talks of this County. Let us advise the Executive---

*(Hon. Duncan Njuguna rose on a point of order)*

**The Speaker:** Point of Order.

**Hon. Duncan Njuguna:** Mr. Speaker sir, is it in order for the Hon. Member to mislead the House? We only have a loan of Kshs.180 million and not Kshs.1.19 billion. The Kshs.1.19 billion is the debt that has been incurred by the County.

**Hon. Samuel Wandia:** Thank you Mr. Speaker but if my reading is right, I see as if the total debt is Kshs.1.19 billion. I wonder where he is reading from because the first sentence

**The Speaker:** I think it is the distinction between loans and debts.

**Hon. Samuel Wandia:** Loans and debts?

**The Speaker:** Yes.

**Hon. Samuel Wandia:** Maybe it is my English, Mr. Speaker, but I would say that a loan is a debt, it is not a free thing because it is repayable.

*(Laughter)*

**The Speaker:** Just go on.

**Hon. Samuel Wandia:** Yes. What I am trying to say, Mr. Speaker, is that looking at our present debt position, the County can sustain if we restructure and suspend some of the activities that we are doing and put three quarters of all the money that goes into projects into the repayment of these loans. This County could be happy by June to say that we are free from debts and we open the year without debts and incur new debts for the year 2015/2016 financial year.

Mr. Speaker, I would also say that if this is not done, some of our present creditors and potential creditors may run away from us in fear that the County has become insolvent. If we are treated as insolvent, creditors and potential creditors will run away from us. So, it is better that we save our County from that by restructuring our loan repayment.

Lastly, Mr. Speaker, I would say that the County Government sits with the Assembly to look for the way forward in the repayment of these loans. I end there and say thank you for giving me that opportunity. Thank you, Mr. Speaker.

*(Question proposed)*

**Hon. Peter Mweri:** Thank you Mr. Speaker. I am the MCA, Rwathia ward. I stand to support this motion. First of all is to thank the Chairman of Finance and his entire committee for the dedication they have put towards coming up with this report which has emanated from the County Debt Management Strategy Paper that was brought to the House from the Executive.

Mr. Speaker, I just have a few comments to make. I think this is a good report and if the recommendations are followed to the letter, I think the County will have moved forward. However, I have noted that the paper was laid on time; on the stipulated date of 28<sup>th</sup> February. I have also noted that the County has a loan of Kshs.800 million. I think on the issue of suppliers, and the chairman of Finance should maybe note this, we need to have limits.

If a supplier supplies some goods, there should be time limits of when he or she should also be paid. Also, on the issue of these debts, if the County Treasury operationalizes the IFMIS system completely, which they have said they are going to do by September this year, some of these debts could be arrested. This is because we could have stopped some projects at one stage so that we could deal with the debts first of all and also deal with the work that has been done because whatever we have been doing so far has a budget and the IFMIS could have guided us so much.

However, I appreciate because they have shown the list of the suppliers. Also, as a way forward, I think the debt which the County owes of this Kshs.1.19 billion; it should also be factored in the budget of 2015/2016. I really support the report and I wish that the issues and the recommendations they have put forward are implemented to the letter. Thank you, Mr. Speaker.

**Hon. Duncan Njuguna:** Thank you Mr. Speaker sir, I am the MCA Gitugi and a Member of the Finance and Economic Planning committee. I would like to support the report and also add some few remarks on that.

As per our recommendations, you will find that the County Government lacked proper planning and that is why things went haywire and to bring things back to normal, we need the Executive to follow the recommendations.

Mr. Speaker sir, you will note that most of these debts are incurred through roadside orders which are made from non-committed votes in the budget. You find that most of the incurred debts are through the contractors whereby, a contractor is given an order to do a road or something like that, which then goes overboard and the County is unable to pay the said contractor.

To arrest this, Mr. Speaker sir, and in order to enhance development in each and every ward in Murang'a, the only way out is the Ward Development Fund. That way, we can have an equal development status in all the wards without others being favoured. With that, you find that out of maybe the Kshs.1.19 billion, any money that has gone to development, in maybe Gitugi, is only about Kshs. 10 million or so. I can say that, that is what has been given to the people of Gitugi. So, with that, we needed the Ward Development Fund like yesterday so that we can share the development money equally, like they do with the Constituency Development Fund.

So, Mr. Speaker sir, I would like to support the report and say that since we have incurred this debt through unorthodox ways, the only way out is what we have recommended that by 30<sup>th</sup> of June, and they can do it regardless of whatever is remaining for the allocation of the County putting into consideration that we have the recurrent and the development budget to factor in.

They can manage by paying or stopping the incurring of more debts through the construction of maybe the roads, irrigation or anything that is not a priority as of now so that we can manage our debt. Otherwise, with this kind of deficit, the County is doomed in

2015/2016. Mr. Speaker sir, I support the report and more so, the implementation of the recommendations. Thank you.

**Hon. James Kagoni:** Thank you Mr. Speaker for giving me the chance. I represent the young people. I stand to support this report that has been brought to this House through the committee of Finance. This is a move in the right direction, being the first time that the Debt Management Strategy Paper is being brought to this House at the right time.

Mr. Speaker, I wish to highlight three issues that I find with this paper. When you read Article 123 of the PFM Act, there are a few issues that are very clear and it's the ones that talk about this Debt Management Strategy Paper. Number one is on when it is supposed to be presented in this House. It is indicated very clearly that it is supposed to be presented on February 28<sup>th</sup> and I have seen that the committee noted that, actually, this paper was brought on February 28<sup>th</sup>, but the question is, Mr. Speaker, why did the drafter of the PFM Act indicate that it needs to be brought to the House on February 28<sup>th</sup>? So that if there are debts, the debts can be re-voted in the new budget and are covered in the subsequent coming budget to the House.

So, one of the things I would expect if I was studying the budget of the 2015/2016, and this is a challenge I am throwing to the Budget committee, is that they must now ensure that the debt that is noted here is re-voted again in the new budget because if it is not re-voted in the new budget and the office of the Principal Financial Officer goes ahead and pays this debt with the money for 2015/2016, the debt will double by the time we get to the 2016/2017. It is important to note that before we even agree on what will be done where, part of the development expenditure money for 2015/2016 should be re-voted in the new budget.

Mr. Speaker, when you read the report of the Controller of Budget for the first quarter of the year 2014/2015, you will realise that she has noted clearly, in the chapter where she talks about Murang'a, that one of the wrong issues we did was where we had the debts of 2013/2014 and were also not captured in the new budget of 2014/2015. Perhaps that could also be one of the reasons why we are finding ourselves where we are and we would not want to repeat that and the issue of why we use IFMIS comes out very clearly.

Mr. Speaker number two is what they have noted in part five when they talk on what is actually the role of this paper, the analysis of the sustainability of the amount of the debt both actual and potential and if you are to fulfill that role of part five that they have noted here and that is also in accordance with section 123 of the P F M Act, then it is very important for this paper to differentiate what is actual and what is potential. In other words Mr. Speaker I am only trusting this paper for now that actually the only debt that is there is 1.1 I do not know whether it is really the actual or it is the potential because nothing else have been annexed in this paper and it is very important Mr. Speaker, you cannot really tell with that and when you read part five of the PFM Act 123 you realize clearly it needs to stipulate who do we really owe this money. It is not just something in the air and it's just written there that we owe 180million or we owe 20million it needs to be in stipulated there so that we can.

After that for you to fulfill part five of that article something else you need to know is that you must clearly state how did we find ourselves here is? Is it that we haven't paid because money has not been released yet we are planning to do so? Or is it that work was overdone beyond what we are having Mr. Speaker? And I am sure this is something that is

going to raise an issue with the Controller of Budget herself because she would want to know according to IFMIS, how much did you allocate for this vote for you to have expended this vote this much Mr. Speaker? That one is very important and because we would not want and because we are saying we are learning, we do not find ourselves in this mess again Mr. Speaker.

Finally, I am here to support this report because of what they have stated in no.14 that they are recommending to have a debt management office Mr. Speaker, because some of this issues now we are having they would be handled elsewhere by that office where we can be able to access, get the document, know what is there, how far have we gone and all that and Mr. Speaker if that office was there by now we would be able to know are we still at the 1.19 billion or perhaps do we have more debts that have already incurred or have we already reduced this? It's what we are discussing here what exactly the status as it is at the moment in the county . It is important to have this office and I really commend and Mr. Speaker I support this report, thank you very much.

**Hon. David Muhoro:** Thank you Mr. Speaker, I am member for Kariara and I rise to support this report but I want to echo some words which have been said by those members who have spoken before me. There is the issue of IFMIS Mr. Speaker, I was lucky I have been able to read part of this report by the Controller of Budget but the problem we are having is that the IFMIS systems are not yet in place so what we are we are having are two parallel things. We are having the actuals which do not actually tie with IFMIS.

So as we progress I would wish the committee would recommend the use of IFMIS so that we do not get ourselves in dealings which we are not even sure where we got there should be emphasised.

Mr. Speaker as we talk of a debt of almost 2 billion, it is also important to know actually had we not budgeted or what made us have this debt. In actual fact, it is even prudent to know who actually do we owe and it should be right in this House so that we know actually we have a 2 billion debt because we know it is this and that person. Mr. Speaker it is so demoralizing as we hear of such big debts, when some of our wards like Kariara which I represent , there is nothing Mr. Speaker which has done there.

Mr. Speaker, if there is something that has done in Kariara it is very little, that's why we are worried. As we hear that this debt again will be re-voted to another budget which we are expecting that the next budget my ward will be considered.

Mr. Speaker it is a great shame with all the billions we are getting, the Commission for Revenue Allocation being given to Murang'a, we still have debts. Mr. Speaker, I congratulate this committee of finance, I wish to state that it is the only report which I have ever supported from this committee and this is the way forward. So I wish, I still emphasize on the IFMIS so that we work with actuals so that we do not act with numbers which we are not sure we will tie up in future. Thank you Mr. Speaker, I support the report.

**Hon. Charles Kirigwi:** Thank you Mr. Speaker, I represent Kinyona and I will support the motion by my committee chair and I start by saying that debts are not bad provided they are sustainable. Going by the breakdown of this debt of 1.19, I am only un comfortable with the short term that is the 190 million and 200 million for the staff.

We are informed that 190 million went to recurrent expenditure. I think that is not prudent, but if we are to clear I would propose the executive that they do away with the short term and the staff credit. For suppliers, I do not have any problem with that, with

800. Even if we speak here Mr. Speaker, LPO's are being written because a government is a going concern, it is like our body. As much as we are indebted to the people who give us food on debts, we need to eat in the evening, tomorrow we will eat and the other day we will eat.

What I would like to point out is that going forward, this Assembly may need to think of putting a ceiling, whereby we can say our county should not go beyond this mark, if it is 1 billion mark in terms of the debts to suppliers and we categorise that it is to the suppliers and the development vote.

We may need also going forward, as the government, to pursue grants from people who can partner with us so that some of these projects that we are taking grants can come in handy and assist us pursue another way. I think going forward we may also think of the Public- Private- Partnership and collaborating of course with the development partners so that we may have sustainable debts in future, like the projects we have for water, I believe there are so many development partners who can come and we partner with them and they will provide pipes and everything, of course maybe almost free.

Also maybe this is the wild thinking, we may also think of developing a debt in the security market, like the national government, we see them doing Treasury Bonds and Bills. So that sustainably we can borrow cheap money, we finance our developments and we are able to serve our people. Mr. Speaker, I think from what I am seeing in the figure here, there is no cause for alarm but as a member said that we need to see development all across the county so that we don't feel that one part of the county is left behind. Thank you Mr. Speaker and I support.

**Hon. Rosemary Wakuthii:** Thank you Mr. Speaker, I represent Gaturi ward. I am here in front of you hon. members supporting the motion, bearing in mind there is some words that have been echoed by my fellow colleagues but I also want us to see that we are all in this somehow because we have a lot of revenue shortage, that is according to the target that have been given during the budget that we were to collect 1.1 billion. I think that one has been overtaken by events because now we are almost coming to the end of the year without receiving the actuals.

So according to the next part we have, I might see we have a chance now that we are now having the Northern water, as we are preparing to have the Bill in place that we shall be enforcing something and we shall be earning revenue from the voltage. I think we shall raise our revenue. So I think we shall be having a positive revenue while we correct the revenue we should having positive vote that we shall be able to cater for the debts.

Another issue my fellow colleagues is that although we are having debts on our side, the government always has debts, but as we are talking, I think when we shall be having our own votes that's the Ward Development Fund, we shall not be in crisis where some of wards are not been touched. I think somebody will be able to monitor his vote properly and we shall not be the position we are in.

I would also echo the issues of the roadside projects that have been allocated by our hon. Governor. Always as a politician, we have to have such because of the challenges we are facing when you are touring your area and even the Member of County Assembly will have the same price. By this my fellow colleagues, I also wish if we can humbly have to sit together with hon. Governor this one I will kindly request hon. Kihungi our leader of majority to liaise with the Governor so that when we come to sit for the next budget

process, our Governor will be involved whereby he will also have to give us what he would like to have in his vote instead of having one kitty being exhausted by the roadside projects.

I also propose that if hon. members can also support the budget committee that it should increase our vote on development from 30 to at least 45 % so that we may reduce our operations and we add the development vote. By so doing, we shall also cater for the various project that have been undertaken and that have not been finished and they shall be completed. Thank you Mr. Speaker Sir.

**Hon. Mary Waithira:** Thank you Mr. Speaker sir, I rise to support and I want to start by commending the chair and the committee members for having brought This Debt Management Strategy paper which I remember beyond a year I had requested in form of statement because we were supposed to have known what is the progress is and what is our financial position as far as our county is concerned.

I also want to commend our county through the able hands of our Governor that when other Governors were being named in the media, we never heard our Governor mentioned as far as graft issues are concerned and that is an area that we are supposed to commend ourselves and I think this is something that our people outside there were happy that Murang'a is not among the many counties is where the Governors are being told that they have graft issues.

I want to say if we go by the point and the wisdom of the committee has raised, we can be able maybe to get to our financial sobriety because they have recommended many areas where we can be able to go by and we arrest some of the areas that we can. But I also want to say that our able chair this debt management strategy paper is not really giving us the position of the people that we owe money to because I think we are supposed to have annexes that show us the position.

I also tend to think Mr. Speaker sir that wisdom of the committee through their able chair they are supposed to a witness if this is the really what we owe the people outside there, because so many complains have come and although we have not been able to go through and to witness, we know that this is not the much that we owe.

Especially if you go to the contractors, they are talking of a tune of above three million, but for now, Mr. Speaker sir, let us go by the debt that we have been given, but we want to tell the committee to move and fast-track so that at least we know our actual position as far as the debts are concerned. Why this came and I want to mention something that has been said by many of the Hon. Members is that so that as we come up with 2015/2016 budget we can be able to include some of our debts that we need to pay the people that we owe money.

Mr. Speaker sir, I remember one time in our committee of PIAC we requested for internal audit reports that have been made several times by Gakahu and his team. We realized that when they go to where our revenue collectors are doing the work of collecting, and they manage that for that day, they are able to realize as many as ten times the collection for that day as compared to whatever is brought to the office.

With our able hands of the committee, we think that we can look for areas on how we can confirm some of these casual labourers because some do not have the commitment, they do not even feel the effectiveness of achieving the targets that they have been given because every day it rings in the person's mind that tomorrow or the other day he or she

might not be there. I tend to think that is why someone else may go and man the same area and realizes more than ten times revenue as compared to what is usually given on daily basis.

I think this is an area that is supposed to be looked at because if at all we are able to realize as per our target as we wait to receive the grant from our national government, we can be able to clear may be some of the debts that we are talking about. That is an area that the committee needs to look at on the credibility of the casual labourers who are collecting the revenue as many are on casual basis.

The other thing is on the issue to do with IFMIS that has been mentioned and I want to say that the IFMIS system is in the Governor's office but poorly adhered to. If only we can follow this and instill a bit of discipline to the ones who are working on it, then we can go by whatever is projected in our budget. I think this can be by close oversight and closely following what is happening. I want to say that many of the areas that we are having debts are works that are not in the CIDP. I want to say, because we are making our budget out of the CIDP, that if we follow this closely and tag this into IFMIS, I know in some areas we can be able to do away with the debts.

I also want to support the Ward Development Fund which we can be able to pass as we pass the budget and Mr. Speaker sir, you are hearing some of our Hon. Members saying yes we are talking about the debts that we have incurred but very little has been done in my ward but if only we go about the Ward Development Fund, we will be able to share what we have equally to all these wards and more so looking at some of the wards that are really down as far as development and other things are concerned because in it, we will be able to establish a formula that will not equal a certain ward which has already grown as far as development is concerned with another ward which is in a bit of a remote area. With this, Mr. Speaker, I support but I am still telling the committee to move with speed so that at least we can be able to realize and achieve instead of saying that we go to the banks and borrow because when we borrow from the banks, obviously the interest rates are very high. As Hon. Member Kinyona said, I would suggest that we do it from a private one which might be a bit lenient as far as interest is incurred, but as a Hon. House we must first of all make sure that we look at what this loan is really intended for before we allow it. Mr. Speaker sir, I support.

**Hon. Joseph Njoroge:** Mr. Speaker sir, I represent Mbiri ward, I stand to support this motion of the finance committee. I have a suggestion on the issue concerning the Debt Management Strategy Paper because what we know in section 123 of Public Finance Act, as they tabulate number one they say that the total stock of the debt as at the date of the statement. It is good for the chairman to note that come next year, will we still have the same issue in this Assembly and according to my knowledge, this debts that we have been given of around Kshs.1.2 billion is not really what the County owes the debtors. It is good to note that, chairman, when bringing to this House certain issues concerning these debts owned by the County Government of Murang'a, you need to be very careful.

We have heard the cries of our contractors, suppliers and the employees of the former defunct local authorities because they are still owed by the County Government a large amount of money. I do not know whether all their debts and payment arrears have been captured by the debts in this motion that you have brought today.

Next time let us have figures showing that Hon. Member for Muthithi owes the County this amount, Hon. Member for Kambiti owes the County this amount so and so owes the county this amount because if you look at section 123 (2) we should know the sources of the loans made to the County Government. It should not be only giving us the figure of 1.2 billion, let us know the source of that money. With that Mr. Speaker, I stand to support the motion and tell the chairman to consider the debts of the employees of defunct local authority who are in the County Government and also in this Assembly. Thank you Mr. Speaker sir.

**The Speaker:** I ask the mover to respond

**Hon. Joseph Kimani.** Thank you, Mr. Speaker sir. I would wish to thank the Hon. Members who have really supported this motion and say that the finance committee is doing its best. This is because it has already addressed some of the questions or concerns of the Hon. Members. I remember standing in front of these Hon. Members taking them through the revenue enhancement report which was actually addressing the issue of the revenue, how we are going to get more revenue and the potentials.

Mr. Speaker sir, we have not forgotten as Hon. Waithira has said, about the casual workers and all that. We also noted on that point that even the casual workers were doing better than the permanent ones. We had also recommended that they be confirmed so that they can also be motivated.

We also talked about the IFMIS which is also a big concern to us and to our finance committee because we know with it we are likely to get maybe double the revenue that we are getting. We have talked with the Treasury and they have said that God willing by 1<sup>st</sup> of July it will be in operation so we hope that they will honour that promise.

Mr. Speaker sir, many things have been said, especially by Hon. Njoroge who represents Mbiri ward. The debts that have been stated in the Debt Management Strategy Paper contain part of the staff. Which as he said, we do not have the schedule of those people, we may not confidently say that it is the real figure but we would actually say that we go by the report, unless otherwise.

Mr. Speaker sir, with the Ward Development Fund is very important to us as we are concerned because everybody was elected in his or her ward and his or her electorate are waiting for the person to deliver and the promises that we made to those people are the ones which will make us come back to this Assembly for a second time. We are very much fighting for the Ward Development Fund so that we may have equalization of resources in our County within our wards.

With the PPP, it is also very important that the County Treasury also looks into that because as we know, we may not be able to have a lot of development especially on industries and I feel that if we have the PPP it would assist us because it will help us develop our County and also help our people.

Mr. Speaker sir, we have talked about the analysis and we have recommended that in the next Debt Management Strategy Paper we may be given the analysis which we hope the implementation committee will follow so that what we have said in this report is also implemented.

Without much ado, I thank all those who have contributed and the Hon. Members for supporting this motion and say that the finance committee is working very hard to make sure that this County gets more revenue so that once we get more revenue, we shall be able

to do a lot for our people. Thank you very much Mr. Speaker sir, may God bless the whole House.

*(Question put and agreed to)*  
*(Applause)*

### **ADJOURNMENT**

**The Speaker:** Hon. Members that being the case the House is now adjourned until tomorrow at 2:30 pm.

*The House rose at .3.43p.m.*