

**REPUBLIC OF KENYA**  
**MURANG'A COUNTY ASSEMBLY**  
**THE HANSARD**

Tuesday, 14<sup>th</sup> March 2018

The House met at 3:00 p.m.

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

**PRAYERS**

**MOTION**

**ADOPTION OF THE REPORT OF BUDGET AND APPROPRIATIONS  
COMMITTEE ON THE COUNTY FISCAL STRATEGY PAPER 2018**

**Hon. Francis Kibe:** I beg to move the following motion:-

That this House adopts the report of the Budget and Appropriations Committee on the Murang'a County Fiscal Strategy Paper laid on the table of the Assembly on Tuesday, March 13, 2018.

Mr Speaker, the County Fiscal Strategy Paper (CFSP) 2018 was submitted on February 28, 2018 and was laid on the table of this Assembly on March 6, 2018. The County Fiscal Strategy Paper is a vital document as it guides the preparation of the budget estimates and subsequent policy documents.

Mr. Speaker, the County Fiscal Strategy Paper should contain the following summarized details as guided by Section 117 of the Public Finance Management (PFM) Act, 2012 specification of the broad strategies and policy goals that will guide in budget preparation; financial outlook with respect to county government revenues, expenditures and borrowing for the next financial year and the medium term, the total resources to be allocated to individual programs and projects within the various sectors in the county, the proposed expenditure ceilings for the two arms of government and finally financial outlook with respect to county government borrowing.

The 2017/18 budget is being implemented under very peculiar scenarios since the country suffered a budget loss amounting to Kshs15 billion as a result of repeated presidential election and prolonged campaign period. However, this matter is under the Council of Governors (COG) in consultation with the National Treasury to find ways of mitigating the said loss.

Mr. Speaker, section 117 (2) provides that the County Treasury should align the County Fiscal Strategy Paper with the national objectives as outlined in the Budget Policy Statement. The Committee in its perusal of the paper was able to highlight a number of areas where the County Treasury managed to explain how the document conforms to the national objectives; example food security and affordable health care.

Mr. Speaker, the Committee appreciates that the County Treasury is alive to the fact that local revenue growth must be realistic unlike previously where local revenue projections have been unrealistic.

In the Financial Year 2018/19 Resource Envelope the County Treasury envisions local revenue collection to a tune of Kshs800 million which is relatively realistic to the fact in the financial year 2016/17 it was Kshs506.7 million.

Section 117 (4) of the PFM Act 2012, provides that the County Treasury shall include in the County Fiscal Strategy Paper among other things a statement on borrowing for the

coming financial year and the medium term. The County Treasury has indeed stipulated that it has no intention of acquiring a loan in the near future.

Mr. Speaker, these are the recommendations of the committee; policy recommendations, to address the concern of lack of comprehensiveness in the County Fiscal Strategy Paper (CFSP) the committee recommends that, going forward, the CFSP should not be tabled in the House without a list of development projects. On this account the committee has recommended the following list of development projects to be implemented in the financial year 2018/2019 as contained in schedule three, members schedule three is the one that you prepared,

Two, further the CFSP does not provide the Integrated Financial Management System (IFMIS) codes for votes in departments and programmes, the Committee therefore recommends that going forward future budgetary documents from the County Treasury must include the IFMIS codes.

Three, CFSP does not provide policy guidelines on how to deal with pending bills. The committee therefore recommends that the County Treasury comes up with a commitment control policy on how to clear the current pending bills in line with the Public Finance Management (PFM) Act as well as the Public Procurement and Asset Disposal Act.

Four, in view of the important linkage between the policy planning and budgeting, the Committee reiterates that the County Integrated Development Plan (CIDP) 2018/2022 must be finalized, published and laid in this House before the budget estimates are submitted. In this regard the list of projects in schedule three should be included in the CIDP and shall be included for implementation in financial year 2018/2019

Financial recommendations, Mr. Speaker, the Committee requests that this House adopts this report and resolves as follows; one, that the ceilings for each arm of Murang'a County Government for financial year 2018/2019 be capped as follows; County Assembly Kshs894,036,391 of which Kshs686million for recurrent expenditure Kshs208,036,391 will be for development expenditure which includes among others, construction of office block for the committee sittings.

Another recommendation number two, that reallocations be effected as per attached schedule one that shall form the basis of the 2018/2019 annual budget.

Three, that there is a critical expenditure to cater for strategic education interventions and County Assembly development needs amounting to Kshs257,278,849 which must be included in the ceiling for financial year 2018/2019. In order to finance this expenditure and in the spirit of austerity measures, the committee proposes expenditure reductions as attached in Schedule two.

Number four, the committee recommends that the development projects appearing in Schedule three be implemented in financial year 2018/19 and the development expenditure in the respective government department to be apportioned as per the following criteria; 70 percent of development expenditure be shared equally among all the 35 wards

*(Applause)*

20 percent of development expenditure to cater for the identified marginalized areas and that the list of the projects in the said marginalized areas shall be forwarded to the County Treasury by the Clerk of the County Assembly on or before 10<sup>th</sup> April, 2018.

10 per cent of the development expenditure be used for implementing the executive flagship projects.

Financial recommendation number five, that once approved by this House, these recommendations together with schedule one, two and three shall form the basis for the 2018/2019 budget.

Schedule number one is on the ceilings as follows:-

1. The Department of the Office of the Governor, Kshs238,079,004.
2. The County Assembly, Kshs894,036,391.
3. Finance and Planning Department, Kshs282,718,818.
4. Agriculture, Livestock and Fisheries, Kshs334,798,600.
5. Energy, Transport, and Infrastructure, Kshs987,283,871.
6. Commerce, Trade and Industries, Kshs66,959,720.
7. Health and Sanitation, Kshs2,700,708,706.
8. Land, Housing and Physical Planning, Kshs84,071,648.
9. Public Service and Administration, Kshs922,556,142.
10. Education and Technical Training, Kshs638,597,200.
11. Youth, Culture and Social Services, Kshs208,319,129.
12. Environment and Natural Resources, Kshs. 59,519,751.
13. County Public Service Board, Kshs22,319,907.

Schedule two is the reduction to department ceilings as follows:-

1. The Department of the Office of the Governor reduced by 0.1%.
2. Finance and Planning Department reduced by 0.8%.
3. Agriculture, Livestock and Fisheries reduced by 0.7%.
4. Energy, Transport, and Infrastructure reduced by 0.7%.
5. Commerce, Trade and Industries reduced by 0.1%.
6. Health and Sanitation reduced by 0.7%.
7. Land, Housing and Physical Planning reduced by 0.1%.
8. Public Service and Administration reduced by 0.1%.
9. Youth, Culture and Social Services reduced by 0.2%.
10. Environment and Natural Resources reduced by 0.1%.
11. County Public Service Board reduced by 0.1%.

Mr. Speaker, schedule three contains the list of the projects that were forwarded by all the Members of the County Assembly (MCAs) or the Hon. Members of this Assembly. I am very grateful to all the Members of the County Assembly for their suggestions that informed our deliberations. I also thank the Members of the Budget and Appropriations Committee for unrelenting commitment, sacrifice and the input that enabled us to meet strict timelines. I am also grateful to your Office Mr. Speaker, the Office of the Clerk and the Committee Secretariat. I beg this Hon. House to support and approve this Motion. I hereby call Hon. Ruth Wambui Karanja to second the Motion.

**Hon. Ruth Wambui:** Thank you Mr. Speaker, I am nominated MCA and the Vice-Chair of the Budget and Appropriations Committee. I rise to second the Motion that this House adopts the Report of the Budget and Appropriations Committee on the Murang'a County Fiscal Strategy Paper (CFSP), 2018.

While discussing the Fiscal Paper, the Committee observed that the Fiscal Paper was a composite of the views of the public on sector priorities, the programs and projects on the County planning framework.

Mr. Speaker, it is in order to say that the CFSP, as a policy document, serves the basis of the public expenditure according to the Public Finance Management Regulation, 2015. All the Departments were involved in building consensus of the sector priorities and sector ceilings in light of resource envelope. The County Assembly Budget and Appropriations Committee has been considering the document and also involved all the Sectoral Committees

and the entire House. The Budget and Appropriations Committee has been working tirelessly to keep the timeline of the 14 days as required by the Public Finance Management (PFM) Act, 2012.

The Fiscal Paper will guide the submission of the estimates for the year 2018/2019 and this Committee will expect that this County lives up to the priorities.

It is worth noting that the CFSP provides a comprehensive overview of how the County intends to raise and spend the funds over the next Financial Year (FY) within the medium term expenditure framework.

The Hon. Members will realise that the County resources envelope is squeezed and we need to understand that the Department may have several needs that cannot be fully funded. We, therefore, need to work within the ceilings provided and make the best out of the ceilings to deliver on the promises we made to Wanjiku. I beg the Hon. Members to support the Report. I beg to second. Thank you, Mr. Speaker.

*(Question proposed)*

**Hon. Stephen Chege:** Thank you, Mr. Speaker; I am a Member of the Budget and Appropriations Committee and the Chairman for the Youth and Gender Services Committee. I rise to support the Motion. As you are aware, no government can be run without a budget. I therefore beg the Hon. Members to support the Motion. Thank you.

**Hon. Kiiru Mwangi:** Thank you, Mr. Speaker, I am the MCA for Gaturi Ward and a Member of the Budget and Appropriations Committee and I rise to support the Motion and bring to the attention of this House that the CFSP is the document that informs the budget of the subsequent financial year.

The projects that the Hon. Members indicated to the Budget and Appropriations Committee and captured in schedule three are the projects that must be implemented when the County Treasury is preparing the budget for the next FY, 2018/2019.

According to the PFM Act 131 (3) and (4), any variations can only be done by this Assembly in accordance with what has been captured and adopted by this House in the CFSP. That is exactly what we did. These are the projects that you raised and they must be captured in the budget of the next FY. I also urge the Members of this House that when the Budget Estimates will be tabled, we must make an itemized budget this time round based on the programs that we have listed in that fiscal paper. That is the only way to ensure financial prudence in the implementation of development projects in this County.

In one way or the other, it will also check and reduce the rise of the cost of projects and pending bills if we strictly follow the implementation of the projects. However, I would like to note and bring to your attention as the head of this Assembly that we need a Fiscal Analyst in this County Assembly; this work was very difficult.

Mr. Speaker, we tried to work within the set timelines because we were supposed to pass this document within 14 days bearing in mind that we, the Budget and Appropriations Committee, have never been inducted properly on the actual Committee undertakings. We worked tirelessly within the timelines but it was very difficult to even ask for expert support because we do not have an internal Fiscal Analyst. As the board prepares the sub-programs in the budget for the next FY, let us cater for a Fiscal Analyst to help this House implement the projects or do their work properly. I beg to support. Thank you, Mr. Speaker.

*(Applause)*

**Hon. Murigi Amos:** .....(*inaudible*).....Kimorori/ Wempa and as I stand to support, there is also one thing Mr. Speaker, that we had to do these annexes and schedules because of the lack of CIDP and I believe among the 47 Counties I think it is only in Murang'a County whereby the CIDP has not been tabled in this Assembly. I think it is very important because I know the CIDP which we are using expired at 31<sup>st</sup> of December and even the Annual Development Plan originated from expired CIDP and I believe it is important we be meeting the timelines because in this Assembly, especially the committee of budget will be very easy if we have those documents in time.

Also as I support this and also supporting my colleague Hon. Cyrus Kiiru on the issue of itemized budget, it will actually make work of this Committee easy if it comes on the issue of oversight because it is very hard to oversight if the budget is not itemized. We have around 600 million to go to roads and it is not identified which roads will be graded or gravelled. So I totally support this.

Also I support the work of Budget Committee that we have the issue of development projects spread over the 35 wards because over 7 Billion is tax from us and it is prudent that the development be spread uniformly. Because what I have seen in the past you see in particular wards there is development and in other wards there is none, may be it is pegged on very funny considerations, sycophancy and all these. But when you have a document like this you will make sure that the development will trickle down to all 35 wards in this county because they deserve because it is their taxes.

As I sit down, our biggest headache and supporting our brother here, when it comes to the issue of lacking a fiscal analyst where some of us do not have any background in accounting and even some of clerk assistants and it will be prudent if by next financial year we have one or two fiscal analysts. And if the budget does not allow I think they can be enlisted on need basis because I believe by last week some of us had to pay fiscal analysts to guide us so that we can communicate. And using our meagre resources we get from this Assembly we cannot be able to hiring on our own. I believe this Assembly has capacity to recruit one or recruit on need basis. With that I stand to support.

**Hon. Morris Thuku:** I thank you Mr. Speaker Sir, first of all I will start by thanking the team that spearheaded the preparation of the budget, the whole Assembly for their contribution.

Mr. Speaker, the best thing that has happened today is budget, equal sharing of resources; 70% of development expenditure being shared equally among 35 wards. If this happens Mr. Speaker, I think this shall reduce drastically the turnover of the ward representatives who may come back to this Assembly. Therefore, I urge my colleagues to support this and at the same time follow for it to be implemented to the end.

However, in my opinion I think this Assembly should have looked into the emergency fund because this County has been a victim of emergency happenings. Example is Gaturi ward we have been very familiar with landslides and if this is not budgeted for I think it will put us in a very tough situation. And therefore with amendment the team should review and may be allocate at least 10% for emergency cases.

My next point is on schedule three whereby it is very evident that this Assembly feels the roads and transport sector is their priority. Therefore it should be taken as the priority in terms of execution of their mandate. But I feel this Assembly should have looked at the other sectors like health, we prioritize on the activities that may be we feel should be done in our wards unlike the situation right now whereby only roads has been itemized. I beg to recognize that time was very short and in future the document should be tabled on time to give this Assembly ample time to review and prepare their schedule three.

Nevertheless, I can see there are some wards that are missing in schedule three; I do not know at what point their activities should be included in schedule three because I feel if this Assembly adopts this document as it is, I am not sure at what point or what room those wards that activities are missing shall be included. And a very good example is in my sub-county Mathioya whereby Kamacharia ward is missing, at the same time I think in Gatanga whereby we have Kihumbu-ini ward that is missing in schedule three projects.

I beg to support with amendments. I thank you Mr. Speaker.

**Hon. Jecinta Ng'ang'a:** I thank you Mr. Speaker, the main reason why I support this Motion is because we were involved in formulation of the paper and we were given an opportunity to put the projects we would like undertaken in our wards on the County Strategy Fiscal Paper.

Mr. Speaker, I hope the budget will be derived from the Paper, in ordinary circumstances the County Fiscal Strategy Paper is supposed to inform the budget, and if this is done in our county all wards will experience development as per the wishes that members put on the Strategy Paper. I call upon the executive to use this County Fiscal Strategy Paper, once adopted by this Assembly to derive the projects to be undertaken.

Mr. Speaker, as my colleague Hon. Murigi has said as Honourable members we are using taxpayers' money once we sit in this Assembly or when we sit outside there so the moment we use their money and the projects are not implemented we are not doing any justice to them. So I call upon the implementers of the projects, once the projects are brought into book they should be done.

While we were going through our induction or even in the committees that we sit, we found out that there are some committees that sat for more than 200 times and whatever they were saying, those projects were never implemented. We do not want to follow our predecessors because we want to be in the next Assembly.

I support the Motion, thank you.

**Hon. Moses Murigi:** Thank you Mr. Speaker, first I want to congratulate the members who sat down in the committee, I want -----What is the problem Flasia? As I support the budget Mr. Speaker, I would like the County Executive Committee Members (CECM) and the Chief Officers to adhere and work for the priorities as honourable members have listed because we know that is where the problem will face us because we do not want to face the problems that the last Assembly they were suffering from. So I would like them to work together so that we can come back again. Thank you Mr. Speaker, I beg to support.

**Hon. Wambui Njoki:** Thank you Mr. Speaker, I rise to support the Motion.

I would like to raise few issues; there are some statutory guidelines that we are looking at like the County Fiscal Strategy Paper (CFSP). We were supposed to adopt it today however there are some irregularities we are doing because we do not have the County Integrated Development Plan (CIDP) for the year 2018/2019.

I would like to urge chairman Budget and Appropriation Committee and the House at large, once the CIDP is here ensure you incorporate whatever we have done in the CFSP which was to be an extract from the CIDP. Thus I would request chairman Budget and Appropriation Committee to ensure that whatever is in the CFSP is incorporated in the CIDP. I support.

**The Speaker:** Mover to respond

**Hon. Francis Kibe:** Thank you Mr. Speaker, I thank all the honorable members for their support to this Motion. Responding to Hon. Kiiru Mwangi, I also advocate for the itemized budget. We as the Budget and Appropriations Committee we are not going to relent on this, the budget that shall be brought should be itemized. The committee has written to the board

so as to know the position of the fiscal analyst and since Mr. Speaker you sit in the board you are going to advise this honorable House on that.

On the issue of the CIDP, we advocate for timelines to be met and the statutory requirement as per the Public Finance Management (PFM) Act and the Standing Orders and the regulation 39 to be adhered to we are here as members to defend that.

On the issue of development across the board in all the 35 wards, we have recommended as per the financial recommendation number four that all wards should be treated equally with the 70% share.

The issue of emergency funds as raised by Hon. Morris Thuku Wa Gathoni, section 112 of the PFM Act allows the County Treasury to spend money that has not been appropriated in case of an emergency but again it should report to the assembly.

There was an issue with schedule three where Kamacharia and Gatanga wards has not submitted, on the issue of Gatanga they merged all their programs in one program that is, Gatanga sub-county.

About Kamacharia ward I had requested the member to forward the list. I know in the next budget estimates they will be included.

Hon. Moses Murigi raised the order of priority and I believe that is the same as the 35 wards being treated equally and fairly.

I beg the honorable members to support this Motion so that we can keep our county moving and that the projects will not be delayed as we were being guided that this is the first step in regards to preparation of the budget for the 2018/2019. I therefore urge honorable members to support this Motion. Thank you Mr. Speaker.

*(Question put and agreed to)*

**The Speaker:** Honorable members, I also wish to register my appreciation, the chairman and the committee for the job well done. I am sure as many have said if implemented it will solve a lot of problems in the County. As for the fiscal analyst I can promise this House that this is going to be done immediately. Thank you.

## SUPPLEMENTARY ORDER PAPER

### MOTION

#### REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE MURANG'A COUNTY GOVERNMENT AND THE MURANG'A COUNTY ASSEMBLY SUPPLEMENTARY BUDGET

**Hon. Francis Kibe:** Thank You Mr. Speaker, I beg to move the following Motion;-

That this House adopt the report of the Budget and Appropriations Committee on the Murang'a County Government and Murang'a County Assembly Supplementary Budget 2017/2018 laid on the Table of the Assembly on Tuesday 13<sup>th</sup> February, 2018.

I hereby present the committee's report on the Supplementary Budget 2017/2018. In line with section 135 (1) of the PFM Act the County Government may spend money that has not been appropriated if the amount appropriated was not sufficient or if a need has risen for expenditure or plans that were not catered for in the planned budget. Pursuant to Standing Order 224 (3), the County Budget and Appropriations Committee discussed and examined the Supplementary Estimates.

As it is required by the Constitution and the PFM Act, the supplementary budget was submitted to this House on 6<sup>th</sup> February 2018 and the Assembly Supplementary Budget was submitted on 12<sup>th</sup> February 2018, and both were tabled on the floor of this House on 13<sup>th</sup> February 2018.

In viewing the Supplementary Estimates 2017/2018, the committee held three sittings, one of which had all the members of this honorable House together with the County Treasury.

The Assembly passed the Murang'a County Appropriation Bill in June 2017, the Appropriation Bill 2017, in June 30<sup>th</sup> 2017, and the same was forwarded to the Governor for assent.

The Appropriation Act have served as the basis for finance execution buy the County Government as required under section 135 (2) of the PFM Act 2012.

Areas of significant deviation from the approved budget 2017/2018; the overall budget Kshs308,911, 545 that is from Kshs8.6 billion to Kshs8.3 billion. Local Revenue was reduced by Kshs35,000,000 due to revised local revenue projections in the second quarter.

Grant reduction; the following grants were reduced Kshs380, 000,000 for medical workers allowances in the department of health and sanitation as a result of discontinuation from the national government, Kshs550,000,000 for urban development under the department of land, housing and physical planning as the amount can only be accessed in the financial year 2018/2019.

On grant addition the following grants were added Kshs 84,088,455 for development of polytechnic under the Department for Education and Technical. Kshs50,000,000 for National Agriculture and Rural Inclusive Growth Project (NARIGP) in the Department of Agriculture, Livestock and Fisheries. Kshs22,000,000 for Transforming Health Systems for Universal Care Project (THSUCP) in the Department of Health and Sanitation.

On development reduction, the allocation to the programme on Agriculture, Livestock and Fisheries was reduced by Kshs64 million under the sub-programme Livestock and Fisheries due to the grant allocated.

The allocation to the programme on Energy, Infrastructure and Public Works reduced by Kshs295 million, where; Energy Development reduced by Kshs5Million from Kshs15 million to Kshs10 million; Water Development reduced by Kshs290Million from Kshs555 million to Kshs265 million.

The allocation to Trade Industry and Tourism programme reduced by Kshs66.9 million from Kshs82 million to Kshs15.1 million, where; Trade and Industry Development reduced by Kshs1.9 million Markets Development reduced by Kshs65 million.

The allocation to the programme on Education and Technical Training reduced by Kshs148.3 million from Kshs412 million to Kshs263.7 million, where; ECDE Feeding reduced by Kshs 70Million and Milk Programme reduced by Kshs78.3 million.

The allocation to the programme on Health and Sanitation reduced by Kshs6.9 million, where; Curative Health reduced by Kshs5Million from Kshs835 million to Kshs830 million, alcohol Programme reduced by Kshs1.9 Million from Kshs2 million to Kshs100,000.

The allocation to the programme on Land Housing and Physical Planning reduced by Kshs. 7.9 million, where; Development Control reduced by Kshs. 4.9 Million from Kshs.6 million to Kshs. 1.1 million, Land Policy and Planning reduced by Kshs. 1 million from Kshs. 2 million to Kshs. 1 million, Land Succession Adjudications reduced by Kshs. 2 million from Kshs. 54 million to Kshs. 52 million.

The allocation to the programme on Youth, Culture, Gender and Social Services reduced by Kshs83 million, where; Persons Living with Disabilities programme reduced by



Kshs5Million from Kshs10 million to Kshs5 million, Youth and Gender Empowerment Programme reduced by Kshs78 Million from Kshs140 million to Kshs62 million.

The allocation to the Agriculture, Livestock and Fisheries Departmental Budget increased by Kshs69 million where; Cash Crop Development programme increased by Kshs 44 million from Kshs72 million to Kshs116 million, Food Security Programme increased by Kshs25 million from Kshs160 million to Kshs185 million.

The allocation to the Roads Development Programme in the department for Energy, Transport and Infrastructure increased by Kshs230,000,000 from Kshs558,880,572 to 758,880,572.

The allocation to the Education and Technical Training department budget was increased by Kshs97,088,455 where; Education Intervention Programme increased by Kshs28 million from Kshs15 million to Kshs43 million, Polytechnics Development Programme increased by Kshs69,088,455 from Kshs35,000,000 to Kshs104, 088,455.

The allocation to the Environmental Leadership and Governance in the department for Environment and Natural Resources increased by Kshs1,013,155 from Kshs1,986,845 to Kshs3,000,000.

Recurrent expenditure additions; the allocation to the General Administration and Support program in the department of Public Service and Administration was increased by Kshs105,000,000.

The allocation to the programme on General Administration and Support in the department of Health and Sanitation was increased by Kshs10, 686,845 from 2,142,409,167 to Kshs2, 153,096,012.

Mr. Speaker, these are the Policy Recommendations of the committee;

- i. That as much as possible, the County Treasury should restrict the supplementary budget to unforeseen and unavoidable expenditures to avoid extensive budget adjustments in the course of the year which renders the budget unpredictable and reduces its effectiveness.
- ii. That development expenditure should be given priority over the recurrent budget in order to achieve a more sustainable growth path and to avoid accrual of pending bills and breach of contractual obligations.
- iii. That, an updated fiscal projection be provided indicating expected revenue performance under the prevailing circumstances with clear strategies on how this budget will be financed.
- iv. That, expenditure adjustments should not be done using a blanket formula across the board but should be based on clear analysis, taking into account the policy direction of the budget;
- v. That, expenditure adjustments should not be done at itemized level but should be guided by programmes given that this is a programme based budget.
- vi. That expenditure adjustments should be done at departmental units to ensure provisions for key projects are not affected.
- vii. That, owing to the low revenue performance as compared to targeted revenue, the County Treasury should desist from setting unrealizable revenue projections. There should be a well-structured unit on revenue management that should work towards enhancing the County's fiscal performance. The committee regrets the minimal revenue realized locally that haunts the process of budget implementation through increased level of pending bills.

Mr. Speaker, taking into account the recommendations contained herein and the relevant issues underlying the report, I do now propose to this House to adopt this report and resolve

that the report of the Supplementary Budget Estimates for FY 2017/18 be approved as attached in the attached schedule one, two and three.

Schedule one is adjustments in departments as I have highlighted or as I have read in our report, development expenditure reductions as we have highlighted all of them, development expenditure additions as I have read them in the report.

Schedule two: breakdown of programmes into sub-programmes that were adjusted. Public Service and Administration, approved budget was Kshs803,709,198, variance Kshs 105 Million, Supplementary Budget Kshs 908,709,198.

Health and Sanitation Kshs2,142,409,167, it increased by Kshs10,686,845. Supplementary Kshs2,153,096,012. Agriculture, Livestock and Fisheries, Cash Crop Development increased from Kshs72 million by Kshs44 million to Kshs116 million. Food Security Kshs160 million increased by Kshs25 million to Kshs185 million. Livestock and Fisheries Kshs70 million reduced by Kshs14 million to Kshs56 million.

Road Development Programme Kshs558,880,572 increased by Kshs230 million, Supplementary Kshs788,880,572. Energy Development Programme Kshs15 Million was reduced by Kshs5 million to Kshs10 million. Water Development Programme Kshs555 million was reduced by Kshs290 million to Kshs265 million.

Education Intervention Programme Kshs15 million increased by Kshs28 million to Kshs 43 million. Polytechnics Development Kshs 35 million increased by Kshs 69,088,455 to Kshs 104,088,455. ECDE Feeding Kshs185 million reduced by Kshs70 million to Kshs115 million. Milk Programme Kshs 170 million reduced by Kshs78,342,671 to Kshs91,657,329.

Environmental Leadership and Governance Kshs1,986,845 increased by Kshs1,013,155 to Kshs3 million. Trade and Industry Kshs2 million reduced by Kshs1.9 million to Kshs 100,000. Markets Development Kshs80 million reduced by Kshs65 million to Kshs15 million. Curative Health Kshs835 million reduced by Kshs5 million to Kshs830 million. Alcohol Programme Kshs2 million reduced by Kshs1.9 million to Kshs100,000.

Development Control Kshs6 million reduced by Kshs4.9 million to Kshs1.1 million. Land Policy and Planning Kshs2 million reduced by Kshs1 million to Kshs1 million. Land Succession Adjudications Kshs5 million reduced by Kshs2 million to Kshs3 million. Persons Living with Disabilities Kshs10 million reduced by Kshs5 million to Kshs5 million. Youth and Gender Empowerment Kshs140 million reduced by Kshs78 million to Kshs62 million.

Mr. Speaker the committee aligned the County Assembly budget to the set ceiling and we factored enough resources for all the pending activities of the committees as per the schedule number three.

Mr. Speaker the committee is grateful to the sectoral committees, office of the Controller of Budget (COB), office of the Speaker and Clerk, committee secretariat and all members of this House for the support it received in discharging its mandate.

Mr. Speaker I therefore urge and beg all the honourable members to support this Motion and I hereby call Hon. Ruth Wambui Karanja to second the motion

Mr. Speaker, I rise to second the Motion that this House adopts the report of the Budget and Appropriations committee on the Murang'a County Government and Murang'a County Assembly Supplementary Budget 2017/2018, laid on the Table of the Assembly.

Mr. Speaker, governments including Murang'a County Government use budgets as a tool of realizing their development agenda. As you are aware, the budget in question is for the financial year 2017/2018 which was approved by the First Assembly in June 2017 in line with section 131 (1) of the Public Finance Management Act, 2012.

However, in the course of this financial year, unforeseen circumstances and insufficient allocations to certain programmes necessitated for this Supplementary Budget, to this House for consideration and approval so as to provide for such circumstances and enhance

allocation of the said programmes whose initial allocations was deemed inadequate, in the light of realities in the implementation plan.

Mr. Speaker, for this reason, that is why we are considering the Supplementary Budget for FY 2017/2018, today, pursuant to the provisions of Public Finance Management Act, 2012, section 135 of the County Governments regulations, 2015.

Mr. Speaker, the report before this House went under lengthy consultations between the Budget and Appropriations Committee and the sectoral committees as well as the County Executive Committee Member in charge of Finance, IT and Economic Planning, and I would therefore confidently submit the views of the former and the latter, and indeed those the entire House have been of great extent being taken into consideration.

As this House considers this report, it should be noted that the adjustments made for the FY 2017/2018 budget through the Supplementary estimates, will be adequate for the period not exceeding three months. I would implore upon this House, to find it appropriate to approve this report, since, part of it is expected to facilitate this House to carry out its mandate as outlined in Article 185 of the Constitution of Kenya, 2010.

Mr. Speaker, while considering the Supplementary estimates, the Committee observed that some reallocations are based on the need to align the budget to the Big Four agenda by the Jubilee government as well as to the interests of this House.

Mr. Speaker, it's nonetheless, the expectation of this House that, moving forward, the County Treasury will put in place measures to ensure that local revenue is enhanced and that programmes are allocated funds in line with the County priorities as well as it is dictated by law.

I beg the Honorable members to support the motion. Thank you Mr. Speaker Sir. I beg to second.

*(Question proposed)*  
*(Silence)*

**Hon. Amos Murigi:** .....*(inaudible)*.....Policy recommendation by the committee about the issue of failure to meet the local revenue targets because that has been attributed to the issue of the pending bills.

I think this should be one of the few counties which have not automate the revenue collection. Because if you go to almost all other counties they have been able to automate the issue of collection and they have enhanced on this. I call upon now this Assembly to make sure that as you move forward that you are able to automate the issue of revenue collection. You see there have also been some issues of failure to bank the revenue collected at the County Revenue Fund which has also been big problem utilizing revenue at the source. This was also attributed to the issue of failure to meet some of these obligations.

The other issue as I support is on the Financial Bill of which the one we have on the Finance Act 2015 and it is important, that once we receive the Finance Bill to put into considerations because I know we can be able to collect a lot of revenue from the County but it is not being collected because if you go, like in my ward there are so many big companies coming up.

We need also to come in the Finance Bill with how we can capture because we can enhance. As we talk about the issue of transfer from the National Treasury we also need to look seriously on the issue of revenue collection. I call upon, when we receive the issue of Finance Bill it is important that we deliberate on it seriously so that we can capture some of the loopholes whereby maybe there are some people who are there but they are not paying or what they are paying is not commensurate with what they are paying. I beg to support.

**Hon. Nahashon Gachuhi:** I also rise to support the deliberations on the Motion and one thing that I have realized is that there have been a lot of lies as *mheshimiwa* has said on payments of rates, payment of permits as per what a businessman does. It is my proposal that we increase the enforcement because I have realized for example in Gatanga sub-county only two are allocated to that sub-county and you realize that 40 percent of the businesses in Gatanga they do not pay permits.

If we have enough enforcement we shall be able to increase our revenue collection and at least make sure that we meet the budget estimates so that we can take our County forward. Remember we cannot be able to take our County forward without having the resources to move it forward. It is my humble request that in the administration budget we request the County Government of Murang'a, the Executive to increase the number of *askaris* so that they can be able to move around, checking those who have paid and those who have not paid.

You can imagine if the enforcement vehicles come to Gatanga from Murang'a and the businessmen can know when they are coming, they close down, shut and ran away because they will not come tomorrow, they will re-open. So let us have sub-county reinforcement *askaris* so that they can be able to manage and supervise the payments of our permits and rates. Thank you so much, I support.

**Hon. Francis Kibe:** Thank you Honorable members for their support on this motion. Honorable Amos has raised the issue of local revenue and I want to assure this Honorable House that since I sit as a member of Finance committee we have discussed this matter and we are having plans on how we can automate the revenue collection process so that we can raise our revenue and make it realistic.

I also agree with Honorable Gachuhi that we need to reinforce the local police. This is a good one, it has a double effect. It will increase the employment and it will also increase the local revenue collection. Although both of them are ending at the same point, since it is about the local revenue collection which will be solved by the automation and we are going to work on this. I urge Honorable members to support this motion. Thank you Honorable members.

*(Question put and agreed to)*

## ADJOURNMENT

*The House rose at 4:01p.m*