

REPUBLIC OF KENYA
MURANG'A COUNTY ASSEMBLY
THE HANSARD

Wednesday 15th April 2020

The House met at 2:21p.m

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

PRAYER

PAPERS

**REPORT ON THE MURANG'A COUNTY GOVERNMENT
SUPPLEMENTARY BUDGET ESTIMATES I - FY 2019/2020**

Hon. Dinah Muthoni: Thank you Mr. Speaker, I would want to lay Report on the Murang'a County Government Supplementary Budget Estimates I - FY 2019/2020.

That, the Report by the Budget and Appropriations Committee on the Murang'a County Government Supplementary Budget Estimates I on Revenue and Expenditure for FY 2019/2020, be laid on the Table of the Assembly, today Wednesday April 15, 2020.

Thank you Mr. Speaker.

NOTICE OF MOTION

**ADOPTION OF REPORT ON THE MURANG'A COUNTY GOVERNMENT
SUPPLEMENTARY BUDGET ESTIMATES I - FY 2019/2020.**

Hon. Dinah Muthoni: Thank you Mr. Speaker, I want to lay the Notice of Motion;-

That, this Assembly adopts the Report by the Budget and Appropriations Committee on the Murang'a County Government Supplementary Budget Estimates I on Revenue and Expenditure for FY 2019/2020 laid on the Table of the Assembly today Wednesday April 15, 2020.

MOTION

**ADOPTION OF REPORT ON THE MURANG'A COUNTY GOVERNMENT
SUPPLEMENTARY BUDGET ESTIMATES I - FY 2019/2020.**

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

That, this Assembly adopts the Report of the Budget and Appropriations Committee on the Murang'a County Government Supplementary Budget Estimates I on Revenue and Expenditure for FY 2019/2020, laid on the Table of the Assembly today Wednesday April 15, 2020.

Mr. Speaker, on behalf of the Members of the County Budget and Appropriations Committee and as required under Standing Order 224 which give direction on how the Estimates of Revenue and Expenditure and the Supplementary estimates will be dispensed with by the Assembly, I hereby present to the Assembly, the Committee's Report on the first Supplementary Budget for the 2019/2020 financial year.

Mr. Speaker sir, as required by the Constitution and the Public Finance Management Act, the First Supplementary Budget estimates and related documents for the County Executive and the County Assembly for FY 2019-2020 were submitted to the County Assembly on April 1

2020. The said were laid before the Assembly on Thursday, April 2, 2020 and subsequently committed to the Budget and Appropriation Committee and all sectoral Committees.

Mr. Speaker, following the passing of the County Allocation of Revenue Act (CARA) 2019 which had delayed up to August 2019, the final equitable share to Murang'a County was reduced by Kshs381million. This has necessitated the preparation of a supplementary budget to align the budget with the approved CARA 2019.

Secondly, the outbreak of COVID-19 in Kenya has created a health and economic crisis especially at the County level. In view of this, there is an urgent need to re-allocate funds to mitigate the effects of this pandemic as the County Government is spearheading local strategies that includes setting up isolation places, ICUs, fumigation of public places, provision of materials including sanitizers, gloves, masks among other medical facilities.

Finally, the County Government realized that there are some budgeted programs that would not fully absorb their allocated amounts in the currently year 2019/2020 due to various factors. Other programs require more resources than had been allocated. As such, it was necessary that we re-allocate funds to the programs in need of resources to allow for their completion as well as pay pending bills as advised by the Controller of Budget.

Mr. Speaker, in line with the requirements of the Public Finance Management (PFM) 2012, this supplementary budget is based on total County revenues as indicated in the following table; that is on page five of the Report, where shareable revenue was 6.6billion with a reduction of 381million. In the table there is a grant that was received of 41million in urban institution grant. Then Kenya devolution support program that is 48 million.

Mr. Speaker, as indicated earlier, one of the objectives for preparation of this supplementary budget is to align the approved budget of 2019/2020 with the County Allocation of Revenue Act 2019 where the County allocation was reduced from 8,967,803,595 to 8,676,012,014. The overall budget has therefore been reduced by 291,791,581 as indicated in the above table.

Changes in development expenditure; the following are deductions in the development budget; the allocations to the Department Finance, Information Technology and Planning; Revenue Management Systems, ICT and financial Management reduced by 29 million.

The allocations in the Department of Agriculture, Livestock and Fisheries reduced by 49,500,000. The allocations in the Department of Roads and Infrastructure Development; Markets and Urban Development reduced by 37 million. The allocation in the Department of Water and Irrigation reduced by 260million. The allocations in the Department of Trade, Commerce and Industry, Co-operative Development reduced by 15million.

The allocations to the Department of Education and Technical Training reduced by 100 million. The allocation in the department of youth, sports, culture and social services reduced by 5million. The allocation in the Department Land Housing and Physical Planning reduced by 43million. The allocations for the County Assembly; construction and refurbishment of buildings reduced by 2million.

Development additions; the allocation the Department of Health and sanitation increased by 140 Million.

The allocations in the Department and Environment and Natural Resources that is waste management increased by12 million.

Changes in recurrent expenditure; recurrent reductions, the allocation for the County Assembly; the allocation for general administration and support Legislation and oversight, reduced by

98.2million. The allocations in the Department of Public Service and administration, the allocation for medical insurance (NHIF) reduced by 50million.

Mr. Speaker it is good to note that the reduction in Assembly budget was to align it with the ceiling.

Recurrent additions; the recurrent budget under Governorship was increased by Kshs42million, Finance and Economic Planning Kshs87.7million, Health and Sanitation Kshs10 million, Land, Housing and Physical Planning by Kshs41.million, Education and Technical Training by Kshs70million, Environment, Natural Resources by Kshs5,000,000, and County Public Service Board by Kshs7,000,000. The above changes will reduce the overall County Budget from Kshs8.9 Billion to Kshs8.6 Billion.

Mr. Speaker, policy recommendations, one, that pursuant to Regulation 39 of the Public Finance Management (PFM) Act, 2012, the County Treasury should restrict the Supplementary Budget to payment of pending bills and mitigation of Corona Virus Disease 2019 (COVID-19) pandemic. Pursuant to Section 130 of the PFM Act, 2012, the County Executive Committee Member (CECM) for Finance, IT and Planning should provide a statement of pending bills when submitting the budget estimates to enable the Committee take into account accrued liabilities.

In line with Section 37 of the PFM Act, 2012, the County should establish the County Budget Economic Forum on or before 30th April 2020. The County should establish and operationalize the County Internal Audit Committee on or before 30th April 2020. That, development expenditure should be given priority over the recurrent budget in order to achieve a more sustainable growth path and to avoid accrue of pending bills and breach of contractual obligations. Supplementary Budgets should continually comply with Regulation 39 of the PFM Act, 2015. Incoming budget estimates for the Financial Year (FY) 2020/2021, the County Treasury should align the estimates to the allocations contained in the County Allocation Revenue Act, 2020. In preparing the budget estimates for the FY 2020/2021, the County Treasury should use historical trends in setting the ceilings for the own source revenues as advised by the Controller of Budget (COB).

Mr. Speaker, on the financial recommendations, taking into account the policy recommendations contained herein, and relevant issues underlying the Report, I do now propose to this Assembly, to adopt this Report and resolve that the Report of the First Supplementary Budget Estimates for the FY 2019/2020 be approved as attached in the Schedule one, two, three and four. Schedule one in page 10 are recurrent additions of Kshs262million, recurrent reductions Kshs148million, Development additions Kshs152million, Development reductions Kshs558.5million. Schedule two is in page 11,12,13,14,15,16,17 and 18. Schedule three is the breakdown of programs and sub-programs in Departments that is recurrent, in page 19 and 20 of the Report. Schedule four is the breakdown of programs for the County Assembly that is recurrent contained in page 21, 22, 23 and 24. At this point, I call Hon. Dinah Damaris to second the Motion. Thank you, Mr. Speaker.

Hon. Dinah Muthoni: Thank you, Mr. Speaker I am nominated to represent gender and the Vice- Chairperson for the Budget and Appropriations Committee and I second.

(Question proposed)

(Question put and agreed to)

BILLS**THE MURANG'A COUNTY SUPPLEMENTARY APPROPRIATION BILL NO. 2 OF 2020-
FIRST READING**

(The Bill was read for the First time)

**THE MURANG'A COUNTY SUPPLEMENTARY APPROPRIATION BILL NO. 2 OF 2020-
SECOND READING**

Hon. Francis Kibe: I beg to move that the Murang'a County Supplementary Appropriation Bill no. 2 of 2020 be read a second time. I call Honourable Diana to second the motion

Hon. Dinah Muthoni: I second

(Question proposed)

(Question put and agreed to)

(COMMITTEE OF THE WHOLE ASSEMBLY)

(Hon. Speaker Nduati Kariuki left the Chair)

(Mace was lowered)

(Hon. Morris Thuku in the Chair)

CLAUSE 2,3,4,5

Hon. Morris Thuku Gathoni: I propose the *Question that Clause 2,3,4 and 5 be part of the Bill.*

(Question that Clause 2,3,4,5 be part of the Bill put and agreed to)

SCHEDULE 1 AND 2

Hon. Morris Thuku Gathoni: I propose the Question that the first and second Schedule be part of the Bill.

(Question that the 1st and 2nd Schedule be part of the Bill put and agreed to)

CLAUSE 1

Hon. Morris Thuku Gathoni: I propose the Question that *Clause 1, be the short title of the Bill.*

(Question that *Clause 1, be the short title of the Bill put and agreed to*)

THE LONG TITLE

Hon. Morris Thuku Gathoni: I propose the Question that the long title be the title of the Bill.

(*Question that Question that the long title be the title of the Bill put and agreed to*)

Hon. Francis Kibe: Honorable Chairperson I beg to move that Committee do report its consideration of the Murang'a County Supplementary Appropriation Bill No.2 of 2020 and its approval thereof without amendments. I call Hon. Dinah Damaris to second.

Hon. Dinah Muthoni: Thank you Mr. Speaker I second.

(*Question Proposed*)

(*Question put and agreed to*)

THE MURANG'A COUNTY SUPPLEMENTARY APPROPRIATION BILL NO.2 OF 2020-
THIRD READING

(*House resumed*)

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

Hon. Morris Thuku Gathoni: Thank you Mr. Speaker I beg to report that;-
The Committee of the Whole Assembly has considered the Murang'a County Supplementary Appropriation Bill No.2 of 2020 and its approval thereof without amendments.

Hon. Francis Kibe: Honourable I beg to move that;-
The Assembly do agree with the Committee in the said Report I call honourable Dinah Muthoni to second.

Hon. Dinah Muthoni: Thank you Mr. Speaker I second.

(*Question proposed*)

(*Question put and agreed to*)

Hon. Francis Kibe: Honourable Speaker, I beg to move that;-
The Murang'a County Supplementary Appropriation Bill No.2 of 2020 be now read a Third time. I now call Hon. Dinah Muthoni to second.

Hon. Dinah Muthoni: Thank you Mr. Speaker I second.

(*Question Proposed*)

(*Question put and agreed to*)

ADJOURNMENT

The Speaker (Hon. Nduati Kariuki): Honourable members the House is adjourned until the end of the recess

The House rose at 2: 49p.m.