

MURANGA COUNTY ASSEMBLY THE HANSARD

Wednesday 28th September 2016

The House Met at 2:47 p.m.

(Temporary Speaker Hon. Bernard Kariuki in the Chair)

PRAYERS

STATEMENTS

SUPPLY OF MEDICINE TO HEALTH FACILITIES

Hon. Duncan Njuguna: Mr. Speaker with the request of Hon. Charles Kirigwi who is outside the county on official duty, I hereby read the statement as given out by Hon. Kirigwi. Pursuant to standing order 46 (2) (c), I hereby request for a statement from the chairperson Health Services committee on the following;

1. Is he aware that the department of Health Services is among the departments with highest budget with an allocation of Kshs.1, 554,534,000 billion (Recurrent) and Kshs. 474,000 million (Development) in the appropriation for FY 2016/2017?
2. Can the chairperson explain why the county government is not supplying medicine to health facilities in Murang'a despite of the huge budget?

Thank you Mr. Speaker

Hon. James Kagoni: Mr. Speaker even as we undertake to commit this question and statement that has been requested by Hon. member from Kinyona ward, may I just comment and say that two weeks ago we had a meeting with the members and discussed quite a lot of issues; one of them involving what has been asked by the hon. member and we would want to confirm that it is true that our budget was there.

Number two is that it is true that there have been challenges with the medicines in our hospitals and part of the response that we were able to get during that particular meeting is that we normally receive our medicine from two main companies that is Kenya Medical Supplies Agency (KEMSA) and Missions of Essential Drugs and Supplies (MEDS) that is owned by the Catholic Church of Kenya.

The challenge that we have been having is that we owe KEMSA and MEDS quite an amount of money and therefore they are not able to give us more supplies on credit as they are waiting for us to honour the previous supplies that they have made to this county.

Therefore, even as we commit to do this in writing or respond to the statement, may I notify the House and the hon. members that, that is the statement at the moment and therefore the minute we are able to do that we will be able to supply the medicines; that is the challenge that we have been having. Thank you Mr. Speaker and by Thursday next week we should be able to commit that in writing.

Hon. Duncan Njuguna: On number two. I would like to hear maybe from the chair for Health the debt owed to the two companies by Murang'a county government since it is not only in Kinyona but we do not have medicines even in other facilities. Thank you Mr. Speaker.

Hon. James Kagoni: Mr. Speaker like I mentioned KEMSA normally supplies our drugs to the dispensaries and Level 4 hospitals and last year the supply they made was of 61 million and we have not been able to pay them so far; and we also owe MEDS 30million.

The health department a month ago had discussed this matter with KEMSA and MEDS and they agreed to continue supplying medicines but on condition of a condition of paying 20 million to each of the companies so that they would to extend the credit facilities to us. Unfortunately when we were supposed to honour that again, even the 20 million we did not do that, we inquired and found out that some of that money was committed elsewhere. There was some crisis that came up in regard to milk transporters and we had to take care of that as the county. At the moment we are waiting for the money to come.

So that we are able to pay KEMSA and MEDS some amount of money and then from there we can be able to get drugs that is the challenge.

Hon. Duncan Njuguna: Thank you Mr. Speaker I am satisfied by the statement from the chairperson; that our people continue suffering and going to the chemist to buy drug since the priority of this county is paying milk transporters.

Temporary Speaker [Hon. Bernard Kariuki]: The hon. chairperson for health, make sure that the statement will be answered on Thursday next week. Noting that this is a matter of county concern

MOTION

ADOPTION OF REPORT OF FINANCE AND ECONOMIC PLANNING COMMITTEE ON THE DEBT STRATEGY PAPER 2016

Hon. Samuel Wandia: Thank you Mr. Speaker, let me take this opportunity to move this motion;-

That this Assembly adopts the report of the Sectorial Committee on Finance and Economic Planning on the debt strategy paper 2016 laid on the table of the Assembly on 21st September 2016.

Before I start the presentation with your leave Mr. Speaker, I would request that I leave the names of members of the committee and the acknowledgment, I go direct to the paper.

The debt management strategy paper is a very important document for this county because it indicates the level of the debt holding. If the document is properly followed in the process of budget making the county government is required to put provisions of the said debts. The importance of this document is that it indicates the total stock of the debt and further the sources of the loss we intend to borrow. It goes further and spells out the risk of the debt if the county takes the debts, the risk is awful. The document further spells out the sustainability of the said debts.

The county government is allowed by law to borrow; this document states very clearly and categorically that when you go for debts or when you intend to borrow, the said debt must be approved by this Assembly. So the Assembly can see the powers it has been given by the Constitution. We have to approve all debt and loans that county government goes for.

Further, after we give the approval, the said loans must be graced by the national government. We have got a lot to do.

Over and above; the same document indicates to these members that county government has to establish a debt management office which I believe currently we do not have. The importance of that office is to provide information on the level and the source of the debt and further it must contain debt agreement and indicate the annual debt policy the county government should have and also it has also to retain the debt record.

Apparently as we sit here the county government owes Kshs. 800 million to creditors and 100 million and workers respectively. Workers have been waiting helplessly to have their unpaid salaries and remunerations paid. The members have to---

(Loud consultations)

Hon. Samuel Wandia: There are some people who are smiling and laughing. To make the matters worse it is the leader of Majority and the Deputy Speaker---

Temporary Speaker [Hon. Bernard Kariuki]: Order! Continue to move

Hon. Samuel Wandia: I have seen the capacity of the debt and also analysed that we owe Kshs. 800 million to creditors and 100 million and employees respectively. I pray this House to pass this document so that the settlement can be done to our creditors and to the workers, the recommendations given by the committee is that the County Treasury should present quarterly and annual debt status.

The debts settled should be the only ones contained in the debt management strategy paper, the County Treasury is supposed to submit the debt management paper before its due date, and an analysis of the risks associated with the debts.

I pray that the members of this august House, this is the moment, we only have eight months of active debate in this House, I pray that they will pass this paper so that we can empower the county government to settle the outstanding debts. I call upon the leader of the majority to second the motion

Hon. Peter Kihungi: I second

(Question proposed)

Hon. Beth Ngugi: Being a member of the Finance committee, it was our responsibility as required by section 123 of the Public Finance Management Act 2012, this paper highlights how the county should be able to manage its debts, pinpoint the bad debts as stipulated by the mover, we have incurred bad debts which we do not know whether the county will be able to pay them. The essence of this paper is to understand how the county spends its monies and the sustainability, and necessity of the debts. I urge this house to pass this report so that once it is passed the executive can be able to implement this report. I support

Hon. James Kagoni: I stand to support this report for obvious reasons. When you go to the details and this committee had submitted this report earlier, it is true that it has 900 million pending as at February this year. Perhaps if you consider the invoices that have been brought, this could be higher than that. My heart is moved by the contractors, many of them are suffering because of the huge debts owed to them, and they are not able to service the loans where they took the money to come do this kind of projects.

It is the responsibility of this committee, and I am happy about what they have been able to do and the County Treasury. When you read the Public Finance Management (PFM) Act, it is very clear and it stipulates on the method and procedures how to deal with this kind of debts.

I would really urge we make this a priority now; every now and then we listen to the contractors and they are suffering and they are crying because of the huge amounts we owe to them you feel sorry for them. It can only be made a matter of urgency, if we are able to handle this matter now and clear. Some of the issues like the one they raised even to the statements we

have just responded to in health. We wouldn't have such challenges if we are able to take care of our debts. And I would wish that when this committee sits next, they make it their priority with this matter to handle it and possibly to push, to ask even for the lists, to see who is owed what, to see whether they can have an agreement on how those people are going to be paid.

I am sure some of the contractors, auctioneers have been sent to their homes; and I want to mention one contractor who I am aware of and who auctioneers went to his home around two months ago. It was very unfortunate because he had supplied some machines to us and we have not been able to pay him. And those were machines for hospitals. And when a person reaches to that point you don't know where to turn to, what to do and that kind of thing. All that because of a supply you made somewhere and you are not sure whether it is going to be honoured, then it becomes a concern to all of us.

I would urge that committee, to even take some time, sit and even look at those categories of the debtors. To talk to and listen to them because they can make it a matter of urgency when they realize what they are undergoing. Because it is painful and they are really offended, really crushed by the banks themselves and even their businesses a number of them have been unable to survive very well because of what happened and for that reason alone.

Mr. Speaker I want to support this motion so it can be on record that the committee is clear and has the good will and want these people to be paid. And further that the county treasurer will take the recommendations that have come from this committee, which are very good recommendations which include just as they have mentioned that the debt strategic management paper in future should be brought as early as it is supposed to be, so that we can be able to factor that into the budget.

For instance we are about to start preparing the budget for 2017/2018 financial year and this time round it is going to happen far much time earlier. If the county treasurer is able to submit this debt strategic management paper early enough so that we are able to factor them there, then we are going to know that by the time we are exiting, nobody is owed anything by the county government of Murang'a. I support this motion. Thank you.

Hon. Samuel Wandia: First I am very happy and I thank the members for having come out very positively in support of this debt management paper. But let me take this opportunity to remind the chairmen of all sectoral committees that they bring their reports on the outstanding bills. All this money maybe against the bills that came out to this Assembly and we passed the bills to the sectoral committees in connection to their respective ministries. And we have received only from the ministry of transport.

I would urge other chairmen of other committees to come out with the reports on the outstanding debts so that the finance committee can communicate effectively to the executive. Otherwise thank you very much for the members, for what they have done. Thank you.

(Question put and agreed to)

ADJOURNMENT

Temporary Speaker (Bernard Kariuki): Honourable members the house is adjourned until tomorrow afternoon. Thank you.

The House rose at 3:10 p.m.