

REPUBLIC OF KENYA
MURANG'A COUNTY ASSEMBLY

THE HANSARD

Wednesday, 17th October 2018

The House met at 2:40p.m.

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

PRAYER

COMMUNICATION FROM THE CHAIR

VISIT TO JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY
(JKUAT)

The Speaker (Hon. Nduati Kariuki): Honourable members, you recall that after we had with the so called Metumi group at Utalii College sometimes back; as a follow up of this we were to arrange to Jomo Kenyatta University of Agriculture and Technology (JKUAT) in order to see some of the innovations in technology and in agriculture that could be useful to the County. We have waited for this for quite some time but I am happy to announce that the Vice Chancellor have written to us saying that she will be pleased to receive us on Friday, 19th October 2018. The letter says the Vice Chancellor will be at hand to receive and welcome the team at 9:00a.m. in the Chancellor's boardroom. Thereafter we will have a visit to the university learning, production, innovation and enterprise facility.

What I want to request you honourable members is that since the Vice Chancellor is expecting us at 9:00 o'clock we try to be there at 8:00a.m. It will be embarrassing if like we are used to in our meeting when we say 9 o'clock and people arrive at 11 o'clock or 12 o'clock it will be rather embarrassing. I plead to you we meet at JKUAT on Friday morning at 8:30a.m.

MOTION

ADOPTION OF REPORT ON MURANG'A COUNTY
GOVERNMENT QUARTERLY REPORT AND FINANCIAL
STATEMENTS FOR THE PERIOD ENDED DECEMBER 31,
2017 AND THE PERIOD ENDED MARCH 31, 2018

Hon. Kiiru Mwangi: Thank you Mr. Speaker, I beg to move the following Motion;- That, the report of the sectoral committee on Finance and Economic Planning on Murang'a County Government Quarterly Report and Financial Statements for the period ended December 31, 2017 and the period ended March 31, 2018 laid on the Table of the Assembly on Tuesday October 16, 2018 be adopted.

Allow me first as I move the Motion to thank all members of this Assembly for your prayers and financial support that today I am able to stand here and make a presentation. I do not take that lightly were it not for your prayers possibly I could be somewhere else. Thank you very much accept my gratitude.

We received the quarterly report from the County Executive Committee Member (CECM) in accordance to the Public Finance Management (PFM) Act section 166 that requires the CECM Finance to submit quarterly report to the County Assembly and it was committed to our Committee.

In a meeting held 16th August 2018 the Committee studied the quarterly reports, the financial statements for the period ended 31st March 2018 and came up with this report we are presenting today.

The total proposed expenditure for 2017/2018 was Kshs8.6billion and this comprised of recurrent expenditure of Kshs5.3 and development expenditure of Kshs3.2 billion. About 37.5 per cent of Budget was allocated to development and the highest beneficiary of this Budget was Energy, Transport and Infrastructure. The second highest beneficiary was department of Health and Sanitation.

In an attempt to improve the social sector and in particular education Kshs421 million was set aside for polytechnics and ECDE as well as education intervention program. As we sat to examine the report we objectively tried to look at the compliance of section 166 of PFM Act which was complied. We also tried to examine the nature and behaviour of expenditure for the said period. We also wanted to pin point on the areas which require present policy to ensure optimal utilisation of public funds.

I wish on behalf of the Committee to register my appreciation for the invaluable support accorded to the Committee by your office and the office of the Clerk to ensure the Committee delivers on its mandate. I also register my gratitude to the honourable members of the Finance and Economic Planning for their commitment and passion they exhibited during the analysis and the compilation of this report.

If I can go through the report albeit I do not want to go through the whole report because I want to give the findings and recommendations we found out. I can point a few issues here: for the period ended March 2018 the CECM raised a total of Kshs135 million as local revenue against the probable three quarter target of Kshs637 million as far as revenue collection is concerned. The indicated amount depicts that there are immense challenges hampering realisation of the set target. I wish they would implement the report we tabled here on automation of local revenue collection.

For the period ended 31st December 2017 the National Treasury had disbursed Kshs2 billion to Murang'a County Government account as requisited by the CECM in charge of Finance. The executive utilized 1.1billion in recurrent expenditure against the budgeted 3billion, 569million in development against the budgeted 1 billion. In the period ended 31st March the National Treasury by then had disbursed 4.1billion and the County executive had utilized 886million in recurrent expenditure against the budgeted 3billion. They also spent 694million in development against the 1.6billion.

Honourable Speaker, I think the members can find in the report page six; the bank balances by the end of the second quarter. The bank balance by the end of December was 45million as indicated in the table there. Honourable Speaker, the CECM did not include any outstanding bills and other debts owed to contractors and suppliers in its report. Pending bills continue to be worsening the relationship between the suppliers and the County government and also delay implementation of crucial development projects.

Honourable Speaker, the County Assembly was allocated a Budget of 936million in the financial year 2017/2018, whereby 863million was supposed to be recurrent and 73million was supposed to be development expenditure. Regrettably the executive only disbursed 302million which is equivalent to 34% of the approved Budget to the County Assembly in the period ended 31st March 2018, which was to cater for both recurrent and development expenditure.

Honourable Speaker, the Committee made a few findings here and there. With regard of section 166 of the PFM Act the submissions of the report was in time. In the nature and

behaviour of expenditure for the period ended 31st December, several departments did not spend the funds allocated to various programs as identified like; Trade, Commerce and Industries, Public Service Board, the Social Services, Land Housing and Physical Planning. There were no explanations by the CECM between the approved Budget and actual the expenditure centrally to requirements under section 164 (2) of the PFM Act.

Mr. Speaker, both reports did not contain the non-financial of the County government, contrary to 166 (2a) of the PFM Act. The County Assembly members are not able to undertake their constitutional mandate due to delays of Exchequer releases.

We also came up with recommendations in regard to the two reports;

1. All the CECM should appear before all their respective sectoral Committees to clearly explain the Budget implementation status of FY 2017/2018 for their departments. The CECM should have a common report showing the proposed projects for FY 2017/2018 and the projects that were completed as at 31st March 2018. They should explain why some of the projects have not been completed yet money was allocated.
2. The CECM in charge of Planning should submit to the Assembly a comprehensive report of the pending bills and their repayment detailing as at 31st June 2018, the suppliers name, signed local purchase order, description of work done or services rendered and the total cost of the work and the amount, balance unpaid.
3. All departments should audit all projects and programs which are complete and provide visible cost analysis of the work within a month to their respective sectoral Committees to help in prudent allocation and setting of the sector ceilings in the CFSP for 2019. Inform also the initiation of other programs.
4. The CECM Finance should ensure that all the money allocated to that County Assembly is released on time; this is to allow the County Assembly undertake its mandate as provided in their constitutional roles.
5. In line with section 148 (1) of the PFM Act, the CECM of Finance should every financial year should table a list of all the designated accounting officers to be managing the finances of their respective department.

This is because even if somebody is vetted and approved as the Chief Officer (CO) that does not automatically make him the accounting officer. They ought to get letters from the CECM and those special letters have to be communicated to the Assembly so that each sectoral Committee can be able to hold their accounting officers responsible because the issues we are getting here should come from their original departments and with that we will be able to do our oversight without any conflict. Possibly the Committee on Implementation and I can see its chairman here, Hon. Sospeter, there is a Motion we passed on this, that each department should be independent and should control their own requisition and payment. In that case we will be able to monitor the implementation of projects and get the status of the unpaid and pending bills and programs that are being planned to be implemented.

With that I urge this Honourable House to adopt this report so that we can be able to move forward and exercise our duties and mandate of oversight. With that I call Hon. Kongo, member of the Finance Committee to second the Motion.

Hon. Jeremiah Kongo: Thank you Mr. Speaker. The issue of finances in this County Assembly has been a very thorny issue putting into consideration that this Assembly has been complaining about the mortgage, allowance and the late payment of their salary. It is in that

regard that am here to second this Motion and in particular the issue of committee recommendations.

Most importantly clause four for the CECM Finance, that he should ensure that the disbursement for this Assembly is made in time without and further delays. There should be no reason as to why there should be delays in releasing these funds to the Assembly. Noting that the Assembly being an independent body and has its own Budget which we passed it should be given a priority when it comes to disbursement.

When it comes to the sectoral committee chairmen, whereby they are supposed to meet with the respective CO and CECM.

It is important that they try to grill these officers so that even when it comes to the discussions of the matters relating to finances, they will know under which docket the monies have been allocated.

We have been talking about the issue of the bursaries and this House approved the Supplementary Budget for the release of the bursary. The money was passed by this Assembly and the same has never been disbursed.

I therefore urge this House to adopt this Report and particularly, the recommendations, to reduce the frictions between the Executive and the County Assembly and so that we are not always used like a rubberstamping thumb and so that they also make sure that the money goes where it is supposed to whenever we pass the Budget here, be it the Supplementary or the main Budget. With those few remarks, I second the Motion.

The Speaker (Hon. Nduati Kariuki): Thank you.

(Question proposed)

Hon. Murigi Amos: Thank you Mr. Speaker, I represent Kimorori/Wempa and as I support this Motion, I also take this opportunity to, as my brother Hon. Mbembe has said, thank the almighty God for healing him. We had missed him a lot, especially in the Committee.

Equally, he has also said that we wasted a lot of time, we should have tabled this Report way back, even a month ago, but we wasted almost a whole month discussing issues which were of no use to this House; talking about who should be the Chairman and who should be the Vice-Chairman. Somehow, I attribute the poor health of my Chairman to those squabbles. If those squabbles never arose, I think he could not have been where he was and I think there are some people who owe some sort of apology because he had done his work and he never expected to be treated the way he was treated that whole month.

Mr. Speaker, as the oversight arm of the County Government and as an Assembly, there are some issues which we require to take very seriously. I can see and I do not know what these Committees are doing, especially the Committee on Trade, Industrialization, Co-operative Management, Tourism and Wildlife because the money which was allocated for the entire year was not utilised and I have not heard the Committee complain of that. We also have the Committee on Land, Housing, Physical Planning and Settlement; it is those two Committees whereby the money was allocated.

Mr. Speaker, of late, we have seen a lot of contempt towards this Assembly by the County Executive Committee (CEC) Members from the Executive. I remember that even when they were requiring us most, especially during the issue of the Budget estimates, majority of the CECs never honoured our summons and that was the time we required them most. We need to do a lot of soul searching as a House because with the route we are taking and if we are not going to

change our ways, Wanjiku is almost giving up with the Second Assembly of this County. I know that Wanjiku is watching anxiously.

Mr. Speaker, the other issue is that sometimes we pass the Budget and I propose we look at the Budget of the year 2017/2018, especially the infrastructure whereby about or over a billion shillings was passed and one of the CECs notorious of not honouring the summons of the Committee is the CEC in charge of Infrastructure. He does not want to be accountable to this Assembly. I propose that as an Assembly, we need to come up with ways and we also need to do benchmarking because I am seeing it in the papers that some Counties have come up with Motions compelling the CECs to appear every quarter so that they can say how much they have used and so that they can interrogate them. We require looking into this one very seriously.

Mr. Speaker, as I conclude, the other issue which requires to be looked into is the locally collected revenue. If you look at the third quarter, I think it was only 135 collected. If you look at Kiambu as an example and take a Sub-County like Thika, it is almost collecting one and a half times what is being collected by the entire County. We have been talking about the issue of automation because a lot of money is going into waste but so far, that has not been done. As we look into other issues, we have good recommendations here but sometimes, they are also very late in submitting these reports. I know what can be done, and being the head of this Hon. House, Mr. Speaker, we need to know why they are not keeping the timelines as dictated. There are timelines but, every time, we are seeing them giving excuses and we require stamping our authority.

Otherwise, I also echo what our official blogger, Hon. Kongo, who is here has said about the issue of the Budget of this Assembly. Something seriously needs to be done because I know what used to happen during the First Assembly is not happening today. I know that these Members and the members of the secretariat who are the staff are suffering and sometimes they are quarrelling and asking us, "Are you people also for this" because during the First Assembly, they never used to experience what we are experiencing today. As I sit down therefore, I will reiterate that as an Assembly, we need to do a lot of soul searching because I believe if we continue this way, we will not take the five years. I am seeing Wanjiku coming up in our third or fourth year to close this Assembly because it is not serving her. I support.

Thank you very much, Mr. Speaker.

Hon. Francis Kibe: Thank you Mr. Speaker. As I support I would like to draw the attention on 34% of the releases that have been released to this Assembly. Mr. Speaker we are done with our first quarter which is July, August and September and going with my mathematics likely we have received 20% of this money. We are crippled as a House and we need a quick intervention, we would like to request you as our leader kindly come to our rescue. It is very serious; these members are in a very critical situation and please come to our rescue.

We have the recommendations, they are very good Mr. Speaker and we have been having recommendations from all other departments on this Floor. But on the issue of implementation it is wanting. If we go by this trend our businesses likely are going to be halted. We will be bringing our reports here but implementation is far below the mark.

Mr. Speaker I support the Motion.

Hon. Peter Githuka: Thank you Mr. Speaker Sir, I rise to support the Motion. I am very happy because I have seen Budget Chair was here and also he has supported. Next time I will expect when budgeting to come up with itemized budget so that we can avoid this. If we had itemized Budget, we would have avoided this because it would have been very easy for us to check. I would like to tell the members that one day Wanjiku will get this report because it is a

public document and one day she will come here with force asking us what we have done. You are giving us a false report because there is no work which was done for the year 2017/2018 especially on the roads where we have utilized 673 million and in my area that is Gatanga there is nothing which has been done. To avoid Wanjiku coming here and using some abusive words and be harsh unto us, we will try to use police force and it will not save us because we have failed. I would like to support and let us work as the Finance Chair has told us. Thank you Mr. Speaker.

Hon. Kiiru Mwangi: I thank you Mr. Speaker and I thank all members who have spoken and supported this Motion but I would like to caution my friend MCA for Kimorori/Wempa that I am one man who is never shaken by politics so it is God who knows why I got some poor health. I don't mind to fight, I fight and live to fight and fight another day. I do not fear fighting.

Thank you, the issue of late reporting by Committees is possibly because of the conflicts we are getting when a Committee organizes to go and write a report then issues come up and we get late to write those reports, I want to give an example of this Assembly, financial statements for this Assembly has never been given to us as Finance Committee despite having written to accounting officers several times. I do not know why.

The issue of mortgage and I can see nowadays the blogger is settled, it is another thorny issue and we have written several times to accounting officer we get statements for the mortgage account and we only got one quarter. We are in process of tabling that report and we wish also if the Speaker can assist us we get some of these reports in time before we invoke the powers given to us. But if we do not we have no option but to use those powers.

Hon. Chair for Budget it is true, I was in Finance department with PFO (Principal Finance Officer) and for sure we have received less or 20%. Do you think we are going to receive the full disbursement by the end of the year? If you look at the table on page seven, as much as we are told that there is no money, the bank balances by 31st of March 2018 was 729 million. The Assembly even if we were given like 200 million we could have cleared some of the issues that we had. We could have cleared some of the pending bills. The issue of being told by the executive and Finance department that there is no money we can clearly see in the report and figures do not lie. There was 729 million in that account lying idle they should have given the Assembly their rightful due so that we could expedite on our duties.

We went for a recess and we could have gone for a working recess so that we can generate reports Mr. Speaker the House is getting short of business because committees are not being facilitated to go and do their work and table their reports, there are very many Committees I know with pending reports. If this is done I think we shall be in a position to do our work without fear or favour and possibly array the fears of MCA from Mugumo-ini of Wanjiku coming here with twigs.

Mr. Speaker I urge this honourable House to support this Motion and we will do a follow up on the same, I thank you Mr. Speaker.

(Question Put and Agreed to)

ADJOURNMENT

The Speaker (Hon. Nduati Kariuki): Honourable members we adjourn until tomorrow 2:30 p.m. Thank you.

The House rose at 3:15p.m.