

# REPUBLIC OF KENYA

## NYANDARUA COUNTY ASSEMBLY

### 2<sup>ND</sup> ASSEMBLY- 2<sup>ND</sup> SESSION

#### OFFICIAL REPORT

Thursday 15<sup>th</sup> March, 2018

*The Assembly met at the Assembly Chamber at 2.30 pm*

*[The Speaker (Hon. Ndegwa Wahome) in the Chair]*

Prayer

#### QUORUM CALL AT THE COMMENCEMENT OF THE SITTING

*(The clerk-at-the-table confirms that there is quorum)*

**Speaker:** Very well; quorum having been recognised, we can proceed to transacting the business for this afternoon sitting.

First order.

#### COMMUNICATION FROM THE CHAIR

##### VISIT BY SOUTH WALES SCHOOLS

Hon. Members, I have a communication to make concerning some visitors who have visited our Assembly, their Assembly; the following is in the following terms:

Honourable Members, I wish to notify you that today Thursday, the 15<sup>th</sup> day of March, 2018 we have the honour of welcoming teachers and pupils of South Wales Schools in Karau Ward, Ol Kalou Sub County in Nyandarua County.

There are a total of seventy (70) pupils and five (5) teachers who are leading the delegation namely;

1. Peter Kamau - Head-teacher
2. John Karanja
3. Margaret Wanyoike
4. Lydia Wairimu
5. Hellen Musimi

In the delegation, we also have the leadership of the pupils led by;

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1. Stanley Mugweru - Head Boy
2. Beatrice Wanjiru - Head Girl

As an Assembly, we have a long standing tradition of cordially welcoming our visitor's especially pupils who come to learn as we deliberate on vital and important matters relating to our County.

I therefore ask you Hon. Members to join me in applauding the foresaid teachers and pupils from South Wales Schools.

*(Applause)*

Finally, I wish to thank the Hon. Member of the County Assembly (MCA) for the area (Karau Ward) namely, Hon. Kenneth Mukira Mahianyu for ensuring the school is accommodated appropriately at the Assembly during their visit to the County Assembly. We ask that they feel comfortable and at home.

Next order.

## STATEMENTS

### STATUS OF THE DISTRICT TRADE DEVELOPMENT JOINT LOANS BOARD SCHEME

Hon. Members, I am alerted that the chairperson of the Committee on Trade, Cooperatives, Industrialization and Enterprise Development will be represented by the County Member from Kiriita, Hon. Wanjiru Ndirangu.

**Hon. Wanjiru Ndirangu:** Thank you Mr Speaker. But before I issue the statement I would seek your guidance on how to go about this because the Member who sought the statement is not in the House. Should I go on without his presence?

**Speaker:** What I would like to say is that although the statement was sought by the Member for Njabini Kiburu, Hon. James Gachomba, it became a property of the House immediately it was sought. Although it would have been ideal for the seriousness to be captured on record that the Member meant business when he sought for the statement, the statement response is for the consumption of the House and the Member should proceed.

**Hon. Wanjiru Ndirangu:** Well guided Mr Speaker. I stand to give a statement in response on the statement sought by Hon. James Kiiru Gachomba from the chairperson of the Committee on Trade, Cooperatives, Industrialization and Enterprise Development on the status of the district trade development joint loans board scheme.

Mr Speaker, Sir, Pursuant to Standing Order No. 44(c), Hon. James Kiiru Gachomba; MCA for Njabini Kiburu Ward sought a statement from the Chairperson Committee on Trade, Cooperatives, Industrialization and Enterprise Development...

**Speaker:** Sorry; Hon. Members, may be it would not be right if I do not correct the perception that the Member for Njabini Kiburu is not taking the business of the House seriously. I have just taken cognisance that actually he is on official duty, and I have allowed him to be away. Although we shall proceed with the business at hand, the Member was allowed by the Speaker to attend the Kenya Dairy Board Annual Meeting at Mombasa. Except for that he would have been in the House. So proceed.

**Hon. Wanjiru Ndirangu:** Thank you Mr Speaker. In his statement, the Hon. Member...

*(Hon. Kieru rises on a point of order)*

**Speaker:** What is it the Member for Gatimu, Hon. Kieru Wambui.

**Hon. Kieru Wambui:** Thank you Mr Speaker. I would not have liked to cut the Member short, but it has been the practice that a Member conducting such business as that at hand does it from the dispatch box. This even allows for easy perusal of the documents. In view of this, I think the Member conducting the business at hand should do it from the dispatch box.

**Speaker:** The County Member from Kiriita, the Member for Gatimu is advocating for your comfort. So you can move to the dispatch or remain at your desk, whichever you are comfortable with.

**Hon. Wanjiru Ndirangu:** Thank you Mr Speaker. I chose to remain where I am and I thank the Member for Gatimu for his concern. In his statement, the Hon. Member expressed concerns that the onset of devolution elicited the cessation of funding to the District Trade Development Joint Loans Board Scheme (DTDJLBS) by the National Government, thus crippling advancement of the fund.

Mr Speaker, I do not intend to read word for word but it is important for the Members to get the history of the matter.

He further lamented that several beneficiaries of the said fund were now unable to repay the loan advanced to them due to several apparent factors like inflation and political instability within their repayment period.

It is on the account of the above that the Hon. James Kiiru Gachomba requested the Chairperson Committee on Trade, Cooperatives, Industrialization & Enterprise development to investigate into the matter and furnish the House with the following information:

- i) The current status of the District Trade Development Joint Loans Board scheme,
- ii) The financial position of the schemes with specific regard to the fund capital available, assets and liabilities of the scheme.
- iii) The repayment status of the loans advanced under the scheme and the repayment made,
- iv) The measures that have been undertaken to actualize and ensure sustainability and posterity of the fund,
- v) The recourse and reliefs available to the traders who are not in position to repay the loans advanced by the scheme.

The Committee embark on an exercise to investigate into the above and of course there were correspondences to that effect.

Mr Speaker, protect me from the Hon. Member next to me since he has used his phone while the microphone was on.

*(Hon. Mbogo Mburu rises on a point of order)*

**Speaker:** Hon. Mbogo Mburu, how is the Member from Kiriita out of order?

**Hon. Mbogo Mburu:** Mr Speaker, not necessarily the County Member from Kiriita; have we changed sitting arrangement in the House? I can see Member for Wanjohi in a different seat.

**Speaker:** The Member for Weru, actually you are a culprit.

*(Laughter)*

You have changed your sitting position. I believe what you are doing is self-preservation; you must be the Member the County Member from Kiriita has complained about.

Proceed the County Member from Kiriita.

**Hon. Wanjiru Ndirangu:** Mr Speaker, I will not read the Members of the Committee name by name. Today the chairperson of the Committee, Hon. Catherine Njane, is out on an official duty in her ward. The committee clerk is Gladys Nyawira Karuiru, a very able clerk.

The mandate of the Committee as set out in Standing Order No. 195 is as outlined in the report.

Mr. Speaker, Sir, I wish to thank your Office and that of the Clerk to the County Assembly for the support accorded to the Committee in its pursuit to fully deliver on its mandate. Allow me to also salute the Members of the Committee and Staff of the Assembly for the commitment exhibited during the Committee meetings that culminated to the compilation of this report.

Mr. Speaker, Sir, on behalf of the Members of the Committee, it is my distinguished duty and pleasure to present to the House the Committee's report on the status of District Trade Development Joint Loans Boards Scheme in the County, for adoption.

I am going to read the Executive Summary as it is in the report.

Mr. Speaker, Sir, small and micro enterprises have a critical role to play in the growth and development of the economy of Nyandarua County and the Kenyan economy in general. The growth and development of these enterprises is evidenced by their plans for business expansion through financial base expansion which is as a result of access to micro credit loans.

The Committee was guided by the statement sought in the House by Hon. James Kiiru Gachomba on the current status of the DTDJLB scheme in the County. Subsequently, the Committee sent a letter to the CECM Industrialization, Trade, Cooperatives Industrialization & Enterprise development requesting her to respond on the following issues;

- i) The current status of the District Trade Development Joint Loans Board scheme,
- ii) The financial position of the schemes with specific regard to the fund capital available, assets and liabilities of the scheme.
- iii) The repayment status of the loans advanced under the scheme and the repayment made,
- iv) The measures that have been undertaken to actualize and ensure sustainability and posterity of the fund,
- v) The recourse and reliefs available to the traders who are not in position to repay the loans advanced by the scheme.

On receipt of the invitation letter, the CECM Trade, Cooperatives, Industrialization & Enterprise development forwarded it to the State Department for Trade requesting them to respond to the issues raised. On his part, the Principal Secretary, Mr. Nicholas Njogu, responded via a letter dated 21<sup>st</sup> December, 2017 indicating that the County's Trade Office is in a position to provide information on items (i)-(iii).

He further indicated that the offices may not sufficiently provide information on items (iv) and (v) as all matters incidental to JLB scheme are handled by the Intergovernmental Technical Relations Committee (IGTRC). He cited that the department was currently conducting an assessment of the JLB scheme assets and liabilities in all Counties. He concluded that once they were done with the assessment a decision on whether to devolve the scheme to the Counties will be made.

The CEC appeared before the Committee twice; on 25<sup>th</sup> January, 2018 and on 1<sup>st</sup> March, 2018. This report highlights the Committee's response to the statement and the conclusion.

**Mr. Speaker, Sir,** Trade Development Joint Loans Board Loans Scheme was established in 1954 by the Colonial Government upon realization that a majority of the African entrepreneurs could not access credit from mainstream banks due to lack of credit worthiness. The loans are administered and advanced by the Ministry of East African Affairs, Commerce and Tourism through County Trade Development Offices.

**Mr. Speaker Sir,** The Scheme was established under the provisions of the Local Government Act, Cap 265 Section 104 which vested its administration with the Ministry of Local Government until 1965 when it was transferred to the then Ministry for Commerce and Industry through Section 38 (1) of the Interpretation and General Provisions Act – Cap 2 of the Laws of Kenya. It is because of this that the scheme is referred to as a Joint Loans Board. Although it was established in 1954, it was not until 1958 that it came to cover the whole country.

**Mr Speaker, Sir,** the objectives of the scheme are to;

- a) Promote indigenous SMEs enterprises through provision of affordable credit
- b) Enable loan recipients gain experience in loan management so that they can graduate to source funds from established financial institutions
- c) Introduce small scale traders into borrowing funds for business
- d) Reduce rural-urban migration
- e) Create employment, stimulate income earnings and reduce poverty

**Mr Speaker, Sir,** the loans are advanced for the purposes of;

- Purchase of trading stocks
- Purchase of raw materials/simple equipment for small scale industry /artisan
- Purchase of seasonal agricultural produce or livestock in districts where this is an important commercial activity
- Any other specific purpose which is a trade or industrial venture

**Mr Speaker, Sir,** for one to qualify for the loan he or she had to meet the following;

- Must be an indigenous Kenyan over 18 years
- Must have been in business for at least 6months
- Must satisfy the loan authority that they keep simple books of accounts
- Must have a lockable business premises
- Must be the owner-manager of the business
- Must be carrying out a legal business recognized by the relevant government organs
- Must secure the loan with one of the following: title deed, plot certificate or life insurance policy

**Mr Speaker, Sir,** the minimum and maximum amounts available from the scheme were Kshs.20,000 and Kshs.300,000 respectively. The terms and conditions of the loan are;

- Interest rate is 8% per annum
- Repayment period is 1-2 years
- Grace period is one month from the date of receiving your loan cheque
- Repayment is monthly based

The CEC Trade explained that the scheme is fully owned, funded and operated by the National Government. She said that the communication was vide a letter ref: DIT/1/16/VOL 111/223 dated 26<sup>th</sup> September 2016 (attached) from the national office, and all further disbursement stopped. However, she insisted that the recovery processes are still in course.

The financial position of the scheme with specific regard to the fund capital available, assets and liabilities of the scheme

The CECM highlighted the summary statement for the Schemes assets and liabilities as at 30<sup>th</sup> September, 2017 as follows;

- a) Assets –Bank balance: Kshs 2, 250, 531  
-Disbursed amounts Kshs: 5, 234, 288
- b) Liabilities –Loanees (securitized) :Kshs 5, 234,288
- c) Loanees active per last quarter : Kshs 1, 833
- d) Closed loans for the quarter : 25
- e) Loans in default totaling to Kshs 5, 234, 288.03
- f) Total number of loans granted to date: 1,858

#### Financial position of the scheme

The CECM explained that the scheme currently has a net capital worth of Kshs 7, 484, 929, with a total outstanding loans of 5,234, 288, performing loans of Kshs.3, 606, 579 and default loans amounting to Kshs.1, 627, 708.

#### Repayment status

The CECM reported that the Trade office is still in the process of recovering the loans and updating the monthly loan accounts ledger. She expressed optimism that the loans would be repaid since they were all secured by title deeds. She further posited that they were considering formulating a policy that would enforce loans repayment and how to deal with loan defaulters. Additionally, she indicated that they were considering working with the Credit Reference Bureau (CRB) to enhance and promote loan repayment by loanees.

#### Measures to ensure sustainability of the scheme

The CECM reported that the County Office Department has minimal control on the national joint loans board scheme, and as such, is not authorized to implement policy changes on the same. She indicated that they were awaiting a national directive to determine whether to merge it with County Local Trade Fund.

The CECM informed the committee that all loans disbursed under the scheme are collateralized, mostly through the title deeds. She expressed that the County Board has strived to exercise empathy and diligence in undertaking recovery steps and has so far not auctioned any security in Nyandarua County. She further reported that the department does a follow up on a routine basis to understand the constraints under which the repayments fall due, and advise loanees accordingly with a view to strengthen their positions and enable resumption of recovery.

The Committee Members enquired on the possibility of giving a waiver to the defaulters but the CECM explained that such was not possible even in law. She indicated that all they could do was to look for a way to aid the loanees repay their loans as the loanees who felt that they were incapable of repaying the loans visit the departments' office for advice on the way forward.

She went on to say that the department would organize on how to help them repay the loan by opening a cooperative society where they would be given money to engage in activities that would help them generate money to enable them repay the loans.

The Committee Members requested the CECM to furnish them with the following information; a full list of the loan beneficiaries and their amount and the full list of all the defaulters and their amount. The information was to reach the Assembly within thirty (30) days.

In conclusion, the role played by the Joint Loans Board Scheme cannot be overlooked as it promote indigenous SMEs enterprises through promotion of affordable credit. This goes a long way in ensuring loan recipients gain experience in loan management so that they can graduate to source funds from established financial institution. However the loan board should organize a training for the loanees before and after loan disbursement. This would offer them a forum to receive counselling and advisory services to enable them use the money appropriately and repay the loan without fail. In this line the department should formulate a policy to give guidelines on how to deal with loan defaulters. This is because without proper mechanisms, the fund cannot be sustained.

Thank you Mr Speaker.

**Speaker:** We have developed a tradition where Members are allowed to comment on a statement. The statement at hand was sought pursuant to Standing Order No. 45(2) (c). Although the *Standing Orders* is silent, this is not a tradition we have developed for ourselves; it is also the tradition of the National Parliament, that is the National Assembly and the Senate, and of course the Commonwealth. Hon. Members, it is my thinking that we amend Standing Order No. 45 by including a clause (d) or a proviso to the same to reflect this tradition to the effect that the Speaker may allow comments, observations or clarifications in relation to a statement or response thereof, either presented or reported. With that and as we wait for the amendment I invite Members to make their comments or observations on the statement at hand.

Yes the Member for Gatimu, Hon. Kieru Wambui.

**Hon. Kieru Wambui:** Thank you Mr Speaker, I wish to than the committee for the comprehensive statement response. It is evident that when the committee sought information from the Executive, the latter sent a letter to the national government seeking further information. The Principal Secretary in charge of the State Department of Trade, Mr. Nicholas Njogu, responded on the measures that have been undertaken to actualize and ensure sustainability and posterity of the

fund, and the recourse and reliefs available to the traders who are not in position to repay the loans advanced by the scheme.

We understand that the scheme was not fully devolved. But what is this that the county government can do regarding the scheme? Or to what extent can the county government engage in the matter? Currently we cannot give guidelines until the intergovernmental relations technical committee decide what is to be devolved. We cannot also say that the matter has properly been adjudicated by the committee.

As stated, The Committee Members requested the CECM to furnish them with a full list of the loan beneficiaries and their amount as well as the full list of all the defaulters and their amount, with this information having to reach the Assembly within thirty days. That leaves us with questions. The committee was supposed to bring a full report including the stated information. If it is the committee that gave the CEC Member thirty days to give the stated information, was the former not aware that the response was to be given on the floor of the House today? In future we should not give the Executive such leeway. Such information as the one that has not been provided is important when a report is being brought to the House.

The committee concludes that the loans board should organize a training for the loanees before and after loan disbursement as this would offer them a forum to receive counselling and advisory services. That is very encouraging and the county government should offer these advisory services to its citizens. We all know how excited many people are when they get loans. Some do not use the loan for the intended purpose.

Thank you Mr Speaker.

**Speaker:** Yes the County Member from Magumu, Hon. Salome Gathoni.

**Hon. Salome Gathoni:** Thank you Mr Speaker. I wish to commend the committee for its good work. We should get more information on the devolvement of the scheme.

The minimum loan amount the scheme can advance is Kshs.20,000 while the maximum is Kshs.300,000. Nonetheless, the loan interest rates are very high and the repayment periods short. Further, it is not judicious for one to give out a title deed or a plot certificate as collateral for a twenty thousand Kenya shillings loan. The committee should sit down and look into this.

Thank you Mr Speaker.

**Speaker:** Those are good comments and observations on the statement response. As the Member for Gatimu has mentioned, the committee should not stop at that. The scheme advances loans for development of trade and trade, as per Part II of Schedule Four to the Constitution, is a devolved function.

Remember during her vetting the CEC Member in charge of Trade, Cooperatives, Industrialisation and Enterprise Development promised do come up with a Trade Act. What we have now is a Trade Fund, which is limited by Clause 116 of the Public Finance Manage Act, 2012.

In view of this, the Committee on Trade, Cooperatives, Industrialisation and Enterprise Development should follow up to know the progress made in developing a County Trade Act, which shall deal with trade development in our county especially with regard to the youth. In addition, I believe I will receive a letter from the Committee requesting a meeting with the relevant committee of the Senate in order to prevail on it for the fund to be devolved so that the county executives can manage the same and the county assemblies conduct oversight on the same. This way, the money will benefit the people at the grassroots adequately.

The Member for Gatimu required the County Member from Kiriita to move to the dispatch. This is because she was also required to table the statement response. So the County Member from Kiriita, Hon. Milka Wanjiru Ndirangu, can now formally table the statement response.

*(Hon. Wanjiru Ndirangu moves to the dispatch box)*

*(Hon. Salome Gathoni rises on a point of order)*

What is it the County Member from Magumu, Hon. Salome Gathoni.

**Hon. Salome Gathoni:** Mr Speaker, is it in order for the County Member from Kiriita to move to the dispatch box without bowing?

**Speaker:** She is in order because she has not crossed to the other side of the Chamber. But it is good to be raising such concerns for purposes of learning; parliamentary traditions undergo continuous development. Thank you for your concern. Proceed the County Member from Kiriita.

**Hon. Wanjiru Ndirangu:** Thank you Mr Speaker for your defence. I wish to table the statement in response on the statement sought by Hon. James Kiiru Gachomba from the chairperson of the Committee on Trade, Cooperatives, Industrialization and Enterprise Development on the status of the district trade development joint loans board scheme.

**Speaker:** The statement response is duly table and, as expected, it is now a property of the House. Next order.

## MOTIONS

### 1. ANNUAL COUNTY GOVERNMENT BUDGET IMPLEMENTATION REVIEW REPORTS

As earlier sated the chairperson of the Committee on Budget and Appropriations is on an official duty on behalf of the Assembly; but the able vice chair is present. So proceed the Member for Geta, Hon. John Githinji Mwaniki.

**Hon. John Githinji Mwaniki:** Thank you Mr Speaker. On behalf of my able chair I beg to move the following motion:

That this House does adopt the Report of the Committee on Budget and Appropriations on the Consideration of the Annual County Government Budget Implementation Review Reports for the Financial Year 2016/17 as a report of this House and the recommendations therein as resolutions of this House.

I will begin with the Preamble.

**Mr Speaker,** the Constitution of Kenya 2010, the County Government Act No. 17 of 2012, the Public Finance Management Act No. 18 of 2012, the Public Finance Management Act (County Government) Regulations 2015, and the Controller of Budget Act No. 26 of 2016, establish independent institutions and commissions with significant responsibilities over the management of public resources and principally with the enhanced mandates in regard to; resource mobilization, allocation, monitoring, control, oversight and reporting on the use of the public resources.

In particular, Article 228 read together with Article 248, Sub-Article 3 of the Constitution of Kenya, 2010:

*“There shall be a Controller of Budget who shall be nominated by the President and, with the approval of the National Assembly, appointed by the President”*

This office is independent.

The controller of budget oversee the implementation of the budgets of the national and county governments by authorising withdrawals from public funds under Articles 204, 206 and 207 of the Constitution.

#### Fiscal Responsibility Principles

Pursuant to Sections 129, 131, 133, and 135 of the Public Finance Management Act No. 18 of 2012, the respective arms of the county government seized with the budget making process with regard to the preparation, submission, consideration and approval of the revenue and expenditure budgets for the financial year 2016/2017.

Besides this, Pursuant to Article 221(4 and 5) of the Constitution of Kenya 2010, standing order 189 and 210 of the County Assembly Standing Orders, Committees of the Assembly oversights the county budget making process.

In this regard, the Budget and Appropriations Committee as established, has among others, the specific mandate to investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget. In the context, the committee duly executed its mandate in scrutiny of the Annual County Government Budget Implementation Review reports for the financial year 2016/2017.

#### Acknowledgment

From the foregoing, pursuant to Standing Order 189 of the Standing Orders, the Budget and Appropriations Committee considered the reports from the Controller of Budget.

I wish to acknowledge the effort by members of the Committee for their great insights during the committee deliberations.

Further, the Committee is greatly indebted to the Office of the Speaker and the Office of the Clerk for the support received as it discharged its mandate.

I further applaud the Committee secretariat for the technical guidance during consideration of the correspondences. The scrutiny was an orientation to the members of the committee of its own kind.

#### Composition of the Committee

**Mr Speaker**, the Budget and Appropriations Committee as currently constituted comprises of the following Honourable members;

1. Hon. James Kiiru Gachomba -Chairman
2. Hon. John Githinji Mwaniki -Vice chairman
3. Hon. Suleiman Kihika Kimani - Member

4. Hon. Esther Nyambura Mwangi - Member
5. Hon. Isaac Kung'u Wanjiru - Member
6. Hon. Milkah Wanjiru Ndirangu - Member
7. Hon. Reuben Gitau Karanja - Member
8. Hon. Samuel Kaiyani Rimui - Member
9. Hon. Gabriel Gathure Wambui - Member
10. Hon. Simon Mbogo Mburu - Member
11. Hon. Catherine Wairimu Njane - Member

Pursuant to Standing Order 189 of the County Assembly Standing Orders, it is therefore my pleasant duty and privilege, on behalf of the Budget and Appropriations Committee to give the Comprehensive report on the Annual County Government Budget Implementation Review report for the financial year 2016/2017.

#### Introduction

#### Preparation and Submission of the Annual County Government Budget Implementation Review Reports FY2016/2017

Pursuant to Section 9 of the Controller of Budget Act No. 26 of 2016, the Controller of Budget in accordance with Article 228 (6) of the Constitution, submits to the Parliament quarterly budget implementation reports for the national and county governments within Thirty (30) days after the end of each quarter.

The reports submitted under the subsection provides information relating to —

- (a) the approved budget;
- (b) the total funds released by programmes;
- (c) the absorptive capacity of funds by projects; and
- (d) Reasons of the decline if any.

Further, the reports submitted comprises of—

- (a) a report on approved expenditures, authorized withdrawals, actual releases and actual expenditures;
- (b) the comparison between amounts provided for in the County Allocation of Revenue Act for each county in accordance with county government disbursement schedule approved by the Senate with the authorized withdrawals from the Consolidated Fund to county governments; and
- (c) A report on the receipts into the Consolidated Fund and the County Revenue Funds.

The report as prepared was submitted to the County Assembly, duly tabled and committed to the Budget and Appropriations committee for further scrutiny and compilation of a report for consideration by the House.

The report has been prepared in accordance with Article 228 (6) of the Constitution, which requires the Office of the Controller of Budget (OCOB) to submit to both Houses of Parliament a report on the implementation of the budgets of the National and County Governments every Four month.

The report examines budget performance of the County Government for the period July, 2016 to June, 2017. It analyses data from the approved budgets, financial reports submitted to the Office of the Controller of Budget by the County Treasury in line with Section 166 and 168 of the Public Finance Management Act 2012 and reports generated from the Integrated Financial Management Information System.

Findings are largely based on provisions of the Constitution of Kenya, 2010 and the Public Finance Management Act, 2012 as benchmarks. The report also highlights the challenges faced by the County in budget implementation and proceeds to make recommendations to address the challenges.

Information provided in the report is useful to many stakeholders including policy makers, legislators, analysts, practitioners, and the general public in monitoring budget implementation by the County.

Extracts from the Office of Controller of Budget Reports FY16/17

The controller of budget has made the following observations in regard to all the Forty Seven (47) County governments.

#### Revenue Analysis

In FY 2016/17, the combined County governments' budgets approved by the County Assemblies amounted to Kshs.399.24 billion and comprised of Kshs.240.89 billion (60.3 per cent) allocated to recurrent expenditure and Kshs.158.36 billion (39.7 per cent) for development expenditure.

In order to finance the budgets, county governments expected to receive Kshs.280.3 billion as equitable share of revenue raised nationally, Kshs.21.9 billion as total conditional grants from the National Government and Development Partners, generate Kshs.57.66 billion from local sources, and Kshs.37.19 billion cash balance brought forward from FY 2014/15. The conditional grants comprised of Kshs.4.5 billion for Leasing of Medical Equipment, Kshs.4.12 billion for Free Maternal Healthcare, Kshs.4 billion for Level 5 Hospitals, Kshs.4.31 billion from the Road Maintenance Fuel Levy Fund, Kshs.900 million for compensation of User Fees Foregone, Kshs.200 million as Special Purpose Grant Supporting Emergency Medical Services, Kshs.422.36 million from DANIDA, Kshs.1.3 billion as World Bank Loan, and Kshs.2.15 billion as Conditional Allocation-Other Loans and Grants. All these conditional grants were contained in the County Allocation of Revenue Act (CARA), 2016.

#### Revenue Out-turn

**Mr Speaker**, the total funds available to the County Governments in FY 2016/17 amounted to Kshs.369.45 billion. This amount consisted of Kshs.280.3 billion as equitable share of revenue, Kshs.4 billion as grant for Level 5 Hospitals, Kshs.408 million grant from DANIDA,

Kshs.556 million grant from the World Bank, Kshs.4.12 billion for Free Maternal Health Care, Kshs.900 million as compensation for User Fees Foregone, Kshs.4.31 billion from the Road Maintenance Fuel Levy Fund, Kshs.200 million as Special Purpose Grant Supporting Emergency Medical Services, Kshs.4.84 billion as Allowances for County Medical Personnel, Kshs.107 million as Coffee Cess, Kshs.32.52 billion as revenue raised from local sources, and Kshs.37.19 billion cash balance from FY 2015/16.

#### Locally Collected Revenue

The aggregate annual local revenue target for counties in FY 2016/17 is Kshs.57.66 billion. During the reporting period, county governments generated a total of Kshs.32.52 billion, which was 56.4 per cent of the annual target. This was a decline compared to Kshs.35.02 billion generated in FY 2015/16, which was 69.3 per cent of the annual revenue target.

Specifically the local revenue collection for Nyandarua County in the FY 2016/17 is shown below.

County Title	Annual local revenue target FY 2016/17 (Kshs.)	1st Quarter, FY 2016/17 Local Revenue (Kshs.)	2nd Quarter, FY 2016/17 Local Revenue (Kshs.)	3rd Quarter Local, FY 2016/17 Revenue (Kshs.)	4th Quarter Local, FY 2016/17 Revenue (Kshs.)	FY 2016/17 Total Local Revenue (Kshs.)	% of Local Revenue Against Annual
Nyandarua	390,000,000	49,096,833	53,561,192	110,063,996	84,044,542	296,766,563	76.1

#### Funds Released to the Counties

**Mr Speaker,** in FY 2016/17, the Controller of Budget (COB) approved transfer of Kshs.284.71 billion from the Consolidated Fund to the various County Revenue Funds (CRFs) in accordance with Article 206 (4) of the Constitution. The transfers were as follows; Kshs.208.3 billion as equitable share of revenue raised nationally; Kshs.4 billion as conditional allocations from the National Government to Level 5 Hospitals, and Kshs.408 million as conditional grant from DANIDA to supplement financing of County Health Facilities.

#### Funds transferred to Counties as a direct disbursement to their County Revenue Fund Accounts

During the same period, Counties received additional conditional grants from the National Government as follows; Kshs.4.12 billion for Free Maternal Healthcare, Kshs.900 million to compensation User Fees Foregone, Kshs.4.31 billion from the Road Maintenance Fuel Levy Fund, Kshs.200 million as Special Purpose Grant Supporting Emergency Medical Services in Lamu and Tana River Counties, Kshs.4.84 billion as additional allowances for County Medical Personnel,

and Kshs.107 million as Coffee Cess. Further, county governments received Kshs.556 million from the World Bank as a loan to supplement financing of County Health Facilities.

#### Funds Released to the County Operational Accounts

The Controller of Budget authorised withdrawals of Kshs.328.24 billion from the County Revenue Funds to County Operational Accounts. The transfers comprised of Kshs.219.95 billion (67 per cent) for recurrent expenditure and Kshs.108.3 billion (33 per cent) for development expenditure.

From the Kshs.219.95 billion released for recurrent activities, Kshs.191.62 billion was for the County Executives while Kshs.28.33 billion was for the County Assemblies. On the other hand, out of Kshs.108.3 billion released towards development activities, the County Executive and the County Assemblies received Kshs.105.28 billion and Kshs.3.01 billion respectively.

**Mr Speaker**, in specific, the exchequer issues to the County Assembly and the County Executive in FY 2016/17 are shown below;

	<b>Recurrent</b>	<b>Development</b>	<b>Total combined exchequer issues</b>
<b>County Executive</b>	2,857,430,000	1,549,660,000	4,407,090,000
<b>County Assembly</b>	572,220,000	177,000,000	749,220,000
<b>Total</b>	<b>3,429,650,000</b>	<b>1,726,660,000</b>	<b>5,156,310,000</b>

#### Expenditure Analysis

**Mr Speaker**, the total expenditure by County governments in FY 2016/17 was Kshs.319.06 billion representing an absorption rate of 79.9 per cent of the total annual County Government's Budgets. This was a decrease from an absorption rate of 80.4 per cent reported attained in FY 2015/16 where total expenditure was Kshs.295.29 billion.

The recurrent expenditure was Kshs.215.71 billion, representing 89.6 per cent of the annual recurrent budget, and a decline from 91.9 per cent reported in FY 2015/16. Development expenditure amounted to Kshs.103.34 billion, representing an absorption rate of 65.3 per cent, and a slight increase from 65.2 per cent attained in FY 2015/16 when total development expenditure was Kshs.103.45 billion.

#### Personnel Emoluments

In the period July, 2016 to June, 2017, County Governments spent Kshs.130.97 billion on personnel emoluments, representing 60.7 per cent of the total recurrent expenditure and 41.1 per cent of total expenditure. This expenditure was an increase from Kshs.118.65 billion spent in FY 2015/16 when the personnel expenditure translated to 40.2 per cent of the total expenditure.

Analysis of personnel emoluments as a percentage of total expenditure by county shows that Tharaka Nithi, Taita Taveta and Nairobi City recorded the highest percentage at 60.1 per cent, 58.9 per cent and 54 per cent respectively. Turkana, Marsabit, and Mandera reported the least proportions at 24 per cent, 22.8 per cent and 16.1 per cent respectively.

The analysis of expenditure for Nyandarua County by economic classification in FY 2016/17 is provided below.

County Title	Personnel Emoluments (Kshs.)	Operations & Maintenance(Kshs.)	Development Expenditure (Kshs.)	Total Expenditure(Kshs.)
Nyandarua	1,920,352,233	1,399,944,997	1,642,722,449	4,963,019,679

#### Operations and Maintenance Expenditure

A total of Kshs.84.74 billion was spent on operations and maintenance during the reporting period, which translated to 26.6 per cent of the total expenditure. Counties that reported the highest expenditure on operations and maintenance in absolute terms were Nairobi City at Kshs.7.66 billion, Nakuru at Kshs.3.45 billion and Kiambu at Kshs.3 billion. Elgeyo Marakwet, Tharaka Nithi and Tana River reported the least expenditure at Kshs.746.13 million, Kshs.559 million, and Kshs.527.55 million respectively.

Analysis of expenditure on operations and maintenance as a proportion of the total expenditure by county indicated that Samburu attained the highest proportion at 42.7 per cent, followed by Kajiado and Lamu Counties at 40.7 per cent and 40.4 per cent respectively. The Counties that attained the least proportion of operations and maintenance expenditure to their total expenditure during the reporting period were Machakos, Kakamega and Tana River at 18.3 per cent, 15.5 per cent and 14.9 per cent respectively.

#### County Budget Allocation, Expenditure and Absorption Rate for FY 2016/17

Nyandarua County	Budget Estimates	Expenditure	Absorption Rate%
Recurrent Expenditure	3,722,630,000	3,320,300,000	89.2
Development Expenditure	1,945,500,000	1,642,720,000	84.4
<b>Total</b>	<b>5,668,120,000</b>	<b>4,963,020,000</b>	<b>87.6</b>

#### Review of MCAs Sitting Allowances

During the reporting period, the County Assemblies spent Kshs.2.32 billion on MCAs Sitting allowances against an approved budget allocation of Kshs.3.09 billion. This expenditure translates to 75.1 per cent of the approved MCAs sitting allowance budget, and a decline from 81.6 per cent attained in FY 2015/16 when Kshs.2.82 billion was spent.

The budgetary allocation and expenditure for Nyandarua on MCAs and Speakers sitting allowances in FY 2016/17

County	Budgeted Amount. Kshs.	Expenditure Kshs.	Absorption rate %	No. of MCAs	Average per month Kshs.
Nyandarua	35,629,600	35,380,986	99.3	42	70,200

Pending Bills as of June 30, 2017

**Mr Speaker**, as at June 30, 2016, Forty Three Counties had accumulated pending bills amounting to Kshs.35.84 billion. The pending bills consisted of Kshs.11.56 billion for recurrent expenditure and Kshs.24.29 billion for development expenditure respectively. The following table shows the pending bills for Nyandarua as at June 30, 2017.

County	County Recurrent Pending Bills (Kshs.)	Development Pending Bills (Kshs.)	Total Pending Bills (Kshs.)
Nyandarua	163,221,961	567,848,679	731,070,640

Specific findings by the Controller of budget on Nyandarua County

**Mr Speaker**, the Controller of Budget upon scrutiny of the submitted reports by the County Treasury made the following observations.

The County's FY 2016/17 Approved Supplementary Budget was Kshs.5.67 billion, comprising of Kshs.3.72 billion (65.7 per cent) and Kshs.1.94 billion (34.3 per cent) allocation for recurrent and development expenditure respectively.

To finance the budget, the County expected to receive Kshs.4.65 billion (83.4 per cent) as equitable share of revenue raised nationally, Kshs.236.22 million (4.2 per cent) as total conditional grants, generate Kshs.390 million (7 per cent) from local sources, and Kshs.296.37 million (5.3 per cent) cash balance from FY 2015/16. The conditional grants comprised of Kshs.95.74 million (40.5 per cent) for Leasing of Medical Equipment, Kshs.71.41 million (30.2 per cent) from the Road Maintenance Fuel Levy Fund, Kshs.46.51 million (19.7 per cent) for Free Maternal Healthcare, Kshs.13.12 million (5.6 per cent) for User Fees Foregone, and Kshs.9.43 million (4 per cent) as a grant from DANIDA. The County also budgeted for grants not in the CARA, 2016 which included; Kshs.10 million for World Bank grant for Maternal Healthcare, Kshs.26.68 million as IDA grant for Capacity Building, and Kshs.61.45 million for Doctors and Nurses Allowance which was negotiated and released by the Ministry of Health.

Revenue Analysis

During the year, the County received Kshs.4.65 billion as equitable share of the revenue raised nationally, Kshs.193.11 million as total conditional allocations, raised Kshs.296.77 million from local revenue sources, and had a cash balance of Kshs.296.37 million brought forward from FY 2015/16.

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The total local revenue collected in FY 2016/17 amounted to Kshs.296.76 million, representing an increase of 6.1 per cent compared to Kshs.279.22 million generated in FY 2015/16, and represented 76.1 per cent of the annual local revenue target of Kshs.390 million.

Analysis of the conditional grants released during the period under review indicates that, Road Maintenance Fuel Levy Fund, DANIDA grant, and User Fees Forgone recorded the highest receipts each at 100 per cent of annual allocation, respectively.

#### Exchequer Issues

During the year, the Controller of Budget authorised withdrawal of Kshs.5.15 billion from the County Revenue Fund account, which was 91 per cent of the Approved Supplementary Budget. This amount represented a slight increase of 1.3 per cent from Kshs.5.08 billion authorized in FY 2015/16 and consisted of Kshs.3.42 billion (66.5 per cent) for recurrent expenditure and Kshs.1.72 billion (33.5 per cent) for development activities.

#### Overall Expenditure Review

**Mr Speaker**, the County spent Kshs.4.96 billion, which was 96.3 per cent of the total funds released for operations. This was a slight increase of 1.81 per cent from Kshs.4.87 billion spent in FY 2015/16.

A total of Kshs.3.32 billion was spent on recurrent activities, while Kshs.1.64 billion was spent on development activities. The recurrent expenditure was 96.8 per cent of the funds released for recurrent activities while development expenditure accounted for 95.1 per cent of the funds released for development activities. The expenditure excluded pending bills as at June 30, 2017 that amounted to Kshs.567.85 million for development and Kshs.163.22 million for recurrent expenditure.

The recurrent expenditure represented 89.1 per cent of the annual recurrent budget, a decrease from 92.9 per cent spent in FY 2015/16. Development expenditure recorded an absorption rate of 84.4 per cent, which was an increase from 77.8 per cent attained in FY 2015/16.

#### Analysis of Recurrent Expenditure

The total recurrent expenditure of Kshs.3.3 billion consisted of Kshs.1.92 billion (57.8 per cent) spent on personnel emoluments and Kshs.1.4 billion (42.2 per cent) on operations and maintenance as shown in Figure.3.104. Expenditure on personnel emoluments represented an increase of 12.1 per cent compared to FY 2015/16 when the County spent Kshs.1.68 billion.

The expenditure on personnel emoluments of Kshs.1.92 billion was 38.7 per cent of overall total expenditure in FY 2016/17 and 57.8 per cent of total recurrent expenditure of Kshs.3.3 billion.

The County spent Kshs.35.38 million on sitting allowances for the 42 MCAs and the Speaker against the annual budget allocation of Kshs.35.62 million. This was a decrease of 48.1 per cent compared to Kshs.68.16 million spent in FY 2015/16. The average monthly sitting allowance was Kshs.70,200 per MCA compared to SRC's recommended monthly ceiling of Kshs.124,800.

Expenditure on domestic and foreign travel amounted to Kshs.249.33 million and consisted of Kshs.98 million spent by the County Assembly and Kshs.151.31 million by the County

Executive. This expenditure represented 7.2 per cent of total recurrent expenditure and was a decrease of 34 per cent compared to Kshs.320.75 million spent in FY 2015/16.

#### Analysis of Development Expenditure

The total development expenditure of Kshs.1.64 billion represented 84.4 per cent of the annual development budget of Kshs.1.94 billion. The development projects with the highest expenditure in FY 2016/17 were;

1. Completion of Assembly Chambers Olkalou at a cost of Kshs 176,658,864
2. Roads Maintenance (Fuel Levy Fund) County at a cost of Kshs.55,592,842
3. Flagship project - JM Kariuki Hospital upgrade Olkalou at a cost Kshs50,460,000
4. Drainage systems - Olkalou estates Olkalou at a cost of Kshs29,335,000
5. Acquisition of Land - Other (Access Roads and social amenities) at a cost of Ksh28,022,141
6. Purchase of firefighting vehicles and equipment County at a cost of Kshs18,000,000
7. Purchase of Milk Coolers Mirangine, North Kinangop & Ndaragwa Central at a cost of Kshs13,000,000
8. Enhancement and Completion of Revenue Automation County at a cost of Kshs10,492,160

Analysis of the development expenditure by project indicates that, the highest expenditure of Kshs.176.65 million was spent on completion of the County Assembly Chambers at Olkalou, followed by Kshs.55.59 million on road maintenance under the Road Maintenance Fuel Levy Fund.

#### Budget and Budget Performance Analysis by Department

A summary of budget estimates and budget performance by department in FY 2016/17 for Nyandarua County is as tabulated below;

Department	Recurrent (Kshs. Million)		Development (Kshs. Million)	
	Exchequer Issues	Expenditure	Exchequer Issues	Expenditure
Agriculture, Livestock, Fisheries & Irrigation	234.38	232.46	64.75	44.47
County Assembly	572.22	573.55	177	176.66
County Attorney, E-Government & Intergovernmental Relations	77.79	54.73	22.68	23.83
Education, Youth, Children Affairs, Culture & Social Services	187.81	188.26	59.73	27.86
Finance & Economic Planning	592.16	563.87	3.09	4.43
Gubernatorial Office	370.46	0	365.86	0

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Health Services	1,051.9	1,029.05	146.11	102.64
Industrialization, Cooperatives, Trade, Enterprise, Weights & Measures	56.35	60.52	30.73	25.79
Lands, Housing & Physical Planning	57.83	34.35	89.23	56.22
Roads, Transport & Public Works	115.8	98.93	804.52	858.2
Tourism, Wildlife & Sports	52.78	57.19	50.25	11.77
Water, Environment & Natural Resources	60.18	61.52	278.57	310.86
<b>Total</b>	<b>3,429.65</b>	<b>3,320.3</b>	<b>1,726.66</b>	<b>1,642.72</b>

Analysis of budget performance by department shows that the County Attorney, E-Government & Intergovernmental Relations Department attained the highest absorption of development budget at 105 per cent while the Gubernatorial Office did not incur any development expenditure. On the other hand, the Department of Water, Environment & Natural Resources had the highest percentage of recurrent expenditure to recurrent budget at 98.8 per cent while the Department of Lands, Housing & Physical Planning had the lowest at 54.4 per cent.

#### Observations and Recommendations

The Controller of Budget noted that the County has made progress in addressing some of the challenges previously identified as affecting budget implementation.

Some of the progress made included:

- i. Improved absorption of development funds by 14.3 per cent from 70.1 per cent in FY 2015/16 to 84.4 per cent in FY 2016/17.
- ii. Adoption of IFMIS in processing of all financial transactions.
- iii. Timely submission of quarterly financial reports by County Government entities to the Controller of Budget in line with Section 166 of the PFM Act, 2012.

Despite the above progress, the controller of budget noted that the following challenges continued to hamper effective budget implementation;

- i. IFMIS connectivity challenges, which slowed down approval of procurement requests and payments to suppliers.
- ii. Local revenue collection was below the annual target. The County collected Kshs.296.76 million which is 76.1 per cent of the annual local revenue target.
- iii. A high wage bill that increased by 12.1 per cent from Kshs.1.68 billion in the FY 2015/16 to Kshs.1.92 billion in the FY 2016/17. The wage bill translated to 38.7 per cent of the total expenditure during the reporting period and may limit expenditure on development activities.

- iv. Delay by the National Treasury to disburse the equitable share of revenue raised nationally.

According to the Controller of Budget the County should implement the following recommendations in order to improve budget execution;

- i. The County Treasury should liaise with IFMIS Directorate for support in utilization of IFMIS and E-procurement module.
- ii. The County should develop and implement strategies to improve local revenue collection.
- iii. The County Public Service Board should establish an optimal staffing structure in order to manage the wage bill.
- iv. The County Treasury should liaise with the National Treasury to ensure that funds allocated to the County are released in a timely manner in line with the CARA Disbursement Schedule.

#### Committee's Observations and Recommendations

The above notwithstanding, the Committee noted that there are challenges affecting implementation of budgets in counties. Particularly, in Nyandarua County, in order to enhance smooth budget execution the County Government must deal with the following.

##### a) High Expenditure on Personnel Emoluments

**Mr Speaker**, the high wage bill is unsustainable and will negatively affect spending on development activities. The County Government should ensure that expenditure on personnel emoluments is contained within sustainable levels in compliance with Regulation 25(1) (b) of the Public Finance Management (County Governments) Regulations, 2015.

##### b) Under-Performance in Local Revenue Collection

**Mr Speaker**, Article 209 (3) of the Constitution, 2010 empowers County Governments to impose property rates, entertainment taxes and any other tax that it is authorized to impose by an Act of Parliament.

During the reporting period, the County collected less than targeted. Low local revenue performance implied that some planned activities could not be implemented due to insufficient funding.

Through the County Treasury, the County should therefore, develop and implement strategies aimed at enhancing local revenue collection.

##### c) High Pending Bills

**Mr Speaker**, as at June, 2017 the County Government had accumulated pending bills amounting to Kshs.731million. Accumulation of huge pending bills erodes investor confidence, negatively affects the business community and could result in litigation by creditors.

The County Government should therefore, ensure effective management of pending bills by aligning procurement plans to cash flow projections as well as ensuring that all pending bills are budgeted for and paid promptly in the following financial years. The county Treasury should

spearhead the audit of the pending bills and ensure that they are factored in the consecutive budgets for clearance.

d) IFMIS Connectivity Challenges and Frequent Downtime

**Mr Speaker**, the National Treasury prescribed IFMIS for processing of financial transactions in line with Section 12 (1) (e) of the PFM Act, 2012. The use of IFMIS enhances fiscal transparency, accountability and improves efficiency in public financial management. The County experienced IFMIS connectivity challenges which affected approval of procurement requests and payments.

In this regard, the County Treasury should liaise with the IFMIS Directorate for support in order to ensure smooth financial operations.

Conclusion

**Mr Speaker**, the Committee noted that the reports by the controller of budget are based on the reports submitted to the office from the County Treasury.

The Office of the Controller of Budget provides the report to the County Assembly for scrutiny geared towards helping in monitoring of the budget implementation.

In this regard, it's imperative for the County Assembly to establish how the expenditure for the financial year 2016-2017 was done and its impact to the citizenry.

And therefore, pursuant to Section 102 of the Public Finance Management Act No. 18 of 2012 and Part V of the Public Finance Management (County Government) Act Regulations 2015 on budget execution, the County Treasury within Fourteen (14) days upon adoption of the Committee report to submit a comprehensive report to the County Assembly on specifics of the actual revenues and expenditures per department and pending bills if any for the financial year 2016/2017.

The reports upon submission will be used by the County Assembly in its oversight role.

Mr Speaker, the Committee was able to come with this report and now I call Hon. Esther Mwangi for secondment.

**Speaker:** Yes County Member from Karau Hon. Esther Mwangi.

**Hon. Esther Mwangi:** Thank you Mr Speaker, I second and support the motion.

*(Question proposed)*

**Speaker:** Member for Kaimbaga Hon. Gabriel Gathure Wambui

**Hon. Gathure Wambui:** Thank you Mr Speaker, I rise to support this motion. It is an elaborate report and we ask the other committees to come up with such reports. It is one of the best and I said earlier that the Budget Committee is one that comes up with the best reports. This is a good report and I would like to note some of the key issues in this report for instance the issue of the pending bills that are to a tune of Kshs. 731 Billion. The money that is meant to clear those bills is always returned to the treasury at the closure of the financial year. This money is always brought forward to the next financial year. The contractors and the suppliers of this county should not be suffering. This money is released by the controller of budget but the county reallocates the

money to other businesses. This is not good for the suppliers and others who do business with the county. In the next financial year, this should be checked so that we can reduce the pending bills.

I would also like to comment on what the controller of budget has said, that all the counties had withdrawn Kshs. 328 Billion, Kshs. 219 Billion for recurrent expenditure that is 67% and Kshs 108 Billion that is about 33% for development. The amount that is used for recurrent expenditure nationally is high. This is also the case for Nyandarua. Something should be done to reduce the recurrent expenditure and increase development expenditure so that we can get more money for projects such as schools.

In the recurrent expenditure, Kshs. 191 Billion was allocated to the executive. Only Kshs. 28 Billion was used by the assemblies. One may ask why there is such a difference between them. In development, too you will find that the executive will take the lion's share. The total amount that was released for development was Kshs. 108 Billion. The executive spent Kshs. 105 Billion while the assemblies spent Kshs. 3 Billion.

Mr Speaker the wage bill rose from Kshs. 1.6 Billion to Kshs. 1.9 Billion. That is an increase of 12%. Seems like someone was not doing their arithmetic well because we are talking of increasing the development expenditure and reducing the recurrent expenditure. Something needs to be done.

I agree with the committee's recommendation that the County Public Service Board needs to have a ceiling for optimal staffing structure as we have here in the assembly. That is the reason we find the county assemblies using less amount on recurrent expenditure compared to the executive. Assemblies have a ceiling set by the SRC (Salary and Remuneration Committee). For us it is 88. That should also be there in the executive. Probably all they are doing is employing and spending *fogothary*.

The revenue targets set and what we got is different. Here the target was Kshs. 390 Million but what we raised is Kshs. 296 Million. That is 76.1% of the target. What does this mean? It means that the mechanisms for revenue collection are not the best. Something to rationalize revenue collection needs to be done. Looking at last year, you will see that we were not affected by the general elections.

Finally, I would like to applaud the county assembly for what they spent on the members' allowances. I think the public should access this document so that they can probably change the perception they have of the MCAs. You can see the approved budget for that was Kshs. 3.9 Billion but the MCAs only spent Kshs. 2.3 Billion. That is 75%. I think the MCAs should be applauded for that. With that Mr Speaker...

*(Hon. Esther Mwangi rises on a point of order)*

**Speaker:** What is it county member for Karau?

**Hon. Esther Mwangi:** Mr Speaker can the member for Kaimbaga explain to us what he means by the word '*fogothary*'

**Speaker:** I think it is important because it might confuse future generations. You had better explain. Member for Kaimbaga stand up to the challenge.

**Hon. Gathure Wambui:** Mr Speaker, I think you should allow the women members in this House to visit Yatta Plateau and meet Rev. Masika and they will get a chance to know what '*fogothary*' means.

Probably it means failure to work systematically or in a planned manner. It is new vocabulary. The language we use, the queens language, is imported and we are in the process of

coming up with our own, that East African Standard English. Some words such as 'fogothary' might be included in our new dictionary.

**Speaker:** You have obviously said something around that word but you admit that it has not been recognized anywhere as a standard word in English. It is yet to be incorporated in our dictionary but at least anyone reading would understand where you are coming from. It was better if you had explained it the first time you mentioned it. Proceed.

**Hon. Gathure Wambui:** Mr Speaker I would like to end there and appreciate the members of the Budget Committee for compiling such an elaborate report. Thank you Mr Speaker.

**Speaker:** Yes member for Gatimu Hon. John Kieru Wambui.

**Hon. Kieru Wambui:** Thank you Mr Speaker. I take this opportunity to thank the Budget Committee for coming up with a report informed by the Controller of Budget report on implementation of budget in the financial 2016/2017. I also know that they are working in the first quarter of the current financial year. I am happy that the report has been done so well, even the members of the committee have noted that it is one of the best. There is the best of course and I am sure they know it.

Mr Speaker the way the vice chairperson of the committee moved the report shows that he is informed. He did not struggle and we understood what he meant. Looking at what the controller of budget has said and what the committee has outlined from it, you realize that it is always important that we get these reports because they help us evaluate ourselves and know how to improve our performance in future.

I also want to laud the county for the manner in which they appropriated funds in that financial year. The controller of budget report for the period under review specifically for Nyandarua shows that the percentage of the recurrent expenditure and development expenditure is better, which I would recommend, compared to where we are now. Development has been noted to be quite a huge expenditure. Out of the Kshs. 5 Billion, you realize that the county spent quite a huge amount of money in development. On recurrent expenditure, the estimates were Kshs. 3.7 Billion and they spent Kshs. 3.3 Billion. The absorption for development expenditure was good, estimates were Kshs. 1.9 Billion and we spent Kshs. 1.6 Billion and this is 84.4% which is a good percentage.

When the executive brings a budget with below 30% for development expenditure, they should know that in the past we had budget that had 34% of the amount allocated to development and 84.4% of it was absorbed. When we talk about the irreducible minimums in the CIDP of Kshs. 50 Million per ward, it is because we are sure that work will be done in the wards.

Concerning MCAs sittings, I commend the way this money was spent. Each member spent about Kshs. 70,000 shilling per month against the set Kshs. 124,800 per member. Hon. Gathure has mentioned this and said that the members of the public should be aware of this though he used the same wrong statements to campaign against those who were there.

*(Hon. Salome Gathoni rises on a point of order)*

**Speaker:** What is it County Member from Magumu?

**Hon. Salome Gathoni:** Mr Speaker it is order for the member for say that the way the MCAs used money that time was recommendable while members were sent home empty handed.

**Speaker:** Has anyone recommended that the MCAs do not get their entitlement?

**Hon. Salome Gathoni:** Mr Speaker there was the money set by the SRC, that the members were supposed to spend but they used less of it and the members are commending it. Is it in order?

**Speaker:** County Member from Magumu, what the members are saying is that the perception is that the MCAs are looting this county. That is the perception with the public. They are saying that actually members do not even use all the money assigned to them. What they are trying to communicate to the public is that MCAs are not the way they perceive them. They are ordinary people, organized and that they spend in a planned and systematic manner.

Proceed member for Gatimu.

**Hon. Kieru Wambui:** Thank you Mr Speaker, still on page twelve, the last paragraph, The County's FY 2016/17 Approved Supplementary Budget was Kshs.5.67 billion, comprising of Kshs.3.72 billion (65.7 per cent) and Kshs.1.94 billion (34.3 per cent) allocation for recurrent and development expenditure respectively. This should help us understand, especially for the members who are here for the first time. Let us always make sure that in future development will never be less than 34%. Why do I say so? This was the only financial year that work was seen done in our wards, because we know what it means for the development allocation being higher than recurrent, and thus propagating for the irreducible minimum.

On page fourteen, on the recurrent expenditure, the recurrent expenditure represented 89.1 per cent of the annual recurrent budget, a decrease from 92.9 per cent spent in FY 2015/16. Development expenditure recorded an absorption rate of 84.4 per cent, which was an increase from 77.8 per cent attained in FY 2015/16. Going in the current financial year and considering how politics is being played, we may not even absorb fifty percent development. Why? We are now almost entering the month of April, we are only left with two months and we know how IFMIS behaves, it always collapses in the month of June, we shall therefore be announced all over the Country 'Nyandarua returns one billion' and we shall be truly ashamed of ourselves. It is therefore a high time that the executive dishes out the contracts to the contractors right now even if it is raining. These contractors will make sure that they get to do some work so that they get to be paid in this financial year

We are all aware that in this financial year there were pending bills of 731 Million, including recurrent expenditure. I would wish, as a much as I do not know how to do this, I would wish that the controller of budget, whom they say that they rely on the information they get from the County Treasury. I would wish that your office Mr Speaker would give information on what pertained to purchase of fire fighting vehicles and equipment at a cost of 18 Million. We passed a budget of 40 Million which we reduced to 18 Million in the supplementary budget to initiate the process of buying firefighting machines in the County. We never got to know where 18 Million went to. Mr Speaker, although the office of the auditors will audit and give a report but as of now your office is able to give guidelines that must be followed. The guidelines are; improved absorption of development funds by 14.3 per cent from 70.1 per cent in FY 2015/16 to 84.4 per cent in FY 2016/17; adoption of IFMIS in processing of all financial transactions; timely submission of quarterly financial reports by County Government entities to the Controller of Budget in line with Section 166 of the PFM Act, 2012.

We all know that reports were timely submitted. Despite the above, there were challenges, IFMIS. In as much as work was awarded in January that Financial year, January and February, there were still challenges of IFMIS and payment. What about now that works have not been given in March, this means that payment becomes a problem. IFMIS shuts down and payment becomes a problem. Local revenue collection was below the annual target. The County collected Kshs.296.76 million which is 76.1 per cent of the annual local revenue target. A high wage bill that increased by 12.1 per cent from Kshs.1.68 billion in the FY 2015/16 to Kshs.1.92 billion in the FY 2016/17. The wage bill translated to 38.7 per cent of the total expenditure during the

reporting period and may limit expenditure on development activities. Delay by the National Treasury to disburse the equitable share of revenue raised nationally.

Mr. Speaker, as at June, 2017 the County Government had accumulated pending bills amounting to Kshs.731million. This is on page 19, we should avoid this kind of things. As I finish with my closing remark, I would like to request your office. On page twenty, they say. The county Treasury should spearhead the audit of the pending bills and ensure that they are factored in the consecutive budgets for clearance. This is paramount and it is good that we act as honourable members, but I would like to know, if there is a pending bill for the last financial year, when should it be paid? Should it be paid in the first half of the next financial year or should it be paid after several financial years. Let Treasury or Controller of budget or whoever it is advice County Governments and do it in writing.

If indeed a contractor did some work last Financial year and that money went back to Nairobi and a supplementary budget is done having in mind that this money will come back and the contractor will be paid; but when they are not paid from 2014 to 2018, and some of them will not even be paid but will be paid in 2019, and we are not even sure they will be paid in 2019...

**Speaker:** Member for Gatimu you have one minute of your ten minutes

**Hon. Kieru Wambui:** I did not see the lights well. Thank you for the reminder, this is truly a passionate matter to me but I will summarise. I would wish that you address as such and give us a way forward because it has become a big problem. Again let us not play politics that the Pending bills during Governor Waithaka tenure cannot be paid, it is time people realised that probably in 2022 there will be another Governor. Should this mean that all the pending bills left by then should not be paid by the next Governor? Let us not behave like the future is not coming. So Mr Speaker, when you advice and communicate, do so from a very reliable source, when there is a pending bill, when should it be paid. I support this report and pray that its recommendations are implemented. With these many remarks I support.

**Speaker:** County member from Kiriita, Hon. Milka Wanjiru Ndirangu

**Hon. Milka Ndirangu:** Thank you Mr Speaker, I rise to support this motion, being a member of the budget committee, I want to thank our members because we sat and discussed this for many days, and I am sure that you can see the kind of output that we are bringing to this Assembly. I want to just highlight one issue and sit down.

On page nineteen, about expenditure on personal emolument, when I look at this I am a worried person, I happen to sit in another committee apart from budget, in the Education and Health Committee.

One of the issues, just like we discussed this morning is that our education system lacks enough personnel to handle the education sector, we do not have enough staff in our ECDs and Polytechnics. This is from the debate we had the other day. We also need staff in our health sector too. I think we are at half percent of what we need in this sector. It is worrying when we cannot be able to employ more staff, I do not know what can be done. We have already surpassed the Compensation Emolument Ratio, we are at 39% and the recommended is 35%.

As an assembly we truly need to think on how to go about this, despite us having surpassed the thresh hold we need more staff to be employed. May be what I will, is about the audit of staff, maybe we have more staff in some departments that do not require so many staff leaving essential departments like the Health and Education without enough staff. If a clinic does not have a doctor, then our people will suffer. I will give an example of a clinic we went and we only found one person working there, he was the one giving cards, taking care of mothers in the maternity, and also working in the pharmacy. This person gets overworked, in such cases we need personnel.

What I will say and *Mheshimiwa* Kieru has alluded to this, we need to get ways, in every problem we must develop a solution. As a County, we need to discuss ways on how to increase our local revenue, with this we will be able to do so much even when we have surpassed the limit set by the Controller of Budget. We need to improve our town so that more investors can come and get to have more revenue. It is sad that Nyahururu is gone since it was said Nyahururu is in Kenya. This town would still be bringing revenue to our County....

*(Hon. Gathure rises on a point of order)*

**Speaker:** What is it Hon. Gathure Wambui?

**Hon. Gathure Wambui:** Thank you Mr Speaker, is it in order for the County Member from Kiriita to mislead the house by alluding that Nyahururu is gone and we all know that Nyahururu has never been in Nyandarua since 1963. It is us people in Nyandarua who went and tilled another person's Shamba. The title deed belongs to Laikipia, and Nyahururu will never be in Nyandarua.

**Speaker:** I think the perception with the people in Nyandarua, when you listen to the people from Ndaragwa, to Kinangop, and especially so the people of Ndaragwa and Ol Joro Orok, who are tied to Nyahururu by their umbilical cord have always taken Nyahururu to belong in Nyandarua. Now that County Governments came and boundaries were reinforced, they perceive the town to have been taken away. I agree with the member for Kaimbaga and that has been my position because we cannot continue lying to our people that Nyahururu will be brought back. When was it in Nyandarua? When was it taken to Laikipia so that now it will be brought back? We have to tell our people the truth. So I agree with you, that is the position, anybody who would want change of boundaries has to file a petition to the Senate, and the National Assembly, and the petition has to be signed by not less than seventy five percent of all the members so that one can change the boundaries not just about Nyahururu but to change boundaries. Nyandarua leaders should look for better ways to help there people and not just working on dreams that can never materialise.

Proceed the County Member from Kiriita.

**Hon. Milka Ndirangu:** Thank you Mr Speaker, I was coming to what you have just said that we need to use proper mechanism now that boundaries came. I am well aware that Nyahururu is not in Nyandarua and you have said it well. I was talking about getting the County Revenue, I was painting collection of local revenue as the main picture. We need to improve and get more ways of collecting our local revenue for us to be self-sustaining as a County.

We also need to talk to the Controller of Budget, I do not know whether we are marginalised or not, but we need to consult him on raising this personal emolument. When we were going through this we realised that Nakuru County has surpassed it set limits by 50% where as we are at 39%. And we are therefore saying for the betterment of our county health and education sector. It is time the Controller of budget realised that we need more money in order to build our county. With these...

*(Hon Kieru Wambui rises on a point of information)*

**Speaker:** Do you require the information from the Member for Gatimu?

**Hon. Wanjiru Ndirangu:** Not for now Mr Speaker.

**Speaker:** Very well, proceed.

**Hon. Wanjiru Ndirangu:** With those remarks, I support the motion and call the mover to respond.

**Speaker:** The mover and Member for Geta, Hon. John Githinji Mwaniki.

**Hon. Githinji Mwaniki:** Thank you Mr Speaker. I wish to thank all the members for their input. I also wish to emphasize on revenue collection. If we put in place proper mechanism to raise more revenue, we can employ more staffers to cater for ECDs and our understaffed health department.

With those few remarks, I beg to move.

*(Question put and agreed to)*

**Speaker:** I applaud the committee for a job well done. That was a very big report and they have been able to analyse both the National and the County budgets and actually, do a comparative analysis. But, we should understand as members, that this is a 'mirror' that should help us to look into the past so that we can see the future. I am hoping that the Committee on Public Accounts and Investments Committee has noted all the gray areas that have been highlighted on the expenditures that were incurred, with the use of this report of the Budget and Appropriations Committee. For example, the buying of a firefighting equipment had a budgetary allocation and nothing was done. We know that there is no firefighting equipment yet they say that Kshs.18 million was used for that purpose. Those are the issues that should be looked into.

There is another issue of Ol'Kalou Drainage System that cost Kshs.29 million. We should be able to know where the drainage was done. The walkways in towns particularly the one from town to the Governor's place was allocated Kshs.7 million. Let us know where the money went to. I saw young men using hoes to dig up that path. Did they consume Kshs.7 million? These are the questions that we need to ask because people must get value for money in order for this country to change, our people to benefit and for us to move forward. We have to ask these hard questions. I believe that the next Committee on line is able to do the necessary.

Next order.

## 2. ESTABLISHMENT OF AN *AD HOC* COMMITTEE ON THE STATUS OF THE BOARD OF MANAGEMENT COMMITTEES

Very well I believe that the deputy Majority Leader and Member for Karau, Hon. Kenn Mukira will be moving the motion.

**Hon. Kenn Mukira:** Thank you very much Mr Speaker. I beg to move the following motion:

That this House does approve the establishment of an *ad hoc* Committee on the Status of the Board of Management Committees and the head of devolved institutions in the county and pursuant to the Standing Order No. 194, the Committee does perform the following mandates;

- i. Identify all Board of Management Committees and head of devolved institutions in the County.
- ii. Look into the functions and mandates of the Boards of Management Committees and the head of devolved institutions

- iii. Look into the terms of office of the Board of Management Committee and the head of devolved institutions
- iv. Investigate, assess and inquire into the status of the Board of Management Committees and the head of devolved institutions
- v. Make the necessary recommendations to the House on such Boards of Management Committees and the head of devolved institutions

Further, and pursuant to Standing Order No. 158, the House does approve the list of following members nominated to the *ad hoc* Committee by the House Business Committee;

1. Hon. David Mwangi Maitai
2. Hon. Sammy Ngumo Ngamau
3. Hon. Gabriel Gathure Wambui
4. Hon. Simon Sambigi Mukuriah
5. Hon. Salome Gathoni Kamau

That further the *ad hoc* committee does report on its mandates to the Assembly within thirty days of its establishment.

Mr Speaker, we have a number of boards that are facing challenges and lack direction. Others are serving when their term of office has expired and others are impeding and dragging the rate of development and growth of institutions. Some of the hospital boards are serving yet their terms have expired and therefore we lack boards that would assist in the development and in identification of weaknesses and challenges of hospitals and other institutions. This has increased the tasks of the Committee on Health Services which now has to go to the field so that they can identify the problems without the assistance of the boards that ought to be there.

Mr Speaker, I believe that we are able to assist the committees in our health centres and dispensaries to solve some of problems as well as give recommendations on proper handling of our health facilities in our county.

We also have other boards such as Nyandarua Water Board. We know very well that we've had water crisis. However, we found out that some of the directors had resigned to engage in politics while others had expired terms and there are no people to give directions and deliberate on issues of water challenges. Another example is Ol'Kalou Water and Sewerage Company where the board has been taking care of the challenges facing the company but now, their term has expired and two board members resigned. This is despite the fact that the company is very important, it has no board and therefore, no direction.

Mr Speaker, we have Agricultural Mechanization Services whose offices are located in Nyahururu. The head of this department is chosen by the board in consultation with the stakeholders. The *ad hoc* committee is very important to look in to this unit because we now have the issue of fertilizers. People have camped in the rain at the Cereal Board for more than four days. You might think that they are waiting for gold that will change their lives forever. With a proper board in place to handle the matter, our people will receive good advice. They will make the right decisions such as to distribute the fertilizers at the ward level instead of having our people in the entire county travel to a centralized place to collect the farm input. Some are spending so much money on fare such that the amount used for transport is the cost of one bag they collect at Cereal Board. With a better mechanized system, we can serve our people better.

When you go to the education sector, we have reports that a number of instructors/trainers in our polytechnics have not been paid for the last eight months yet they are only paid five thousand shillings. They are citizens, residents and family men and women of this county but they don't get paid. We need to address this problem by ensuring that the proper boards are constituted to handle polytechnics and training institutions for our people. You will find that some boards are constituted by, let's say, a class seven dropout who didn't finish school probably because of financial challenges, yet, the same person is expected to be in the panel that recruits polytechnic's instructors/trainers. I therefore think that the *ad hoc* committee will come up with proper guidelines for these boards.

On the Bursary Act, it is important to note that it does not have term limits for the members of the committees. How long are they going to serve? I think this is also an issue that should be directed to the *ad hoc* committee to look into. Today, I am the representative of Karau ward in this House. Previously, I was the chairperson of the bursary committee in my ward and still I am. The reason is that we don't have term limits. There are no letters for members to stand down from the committees. I can therefore chair a bursary committee meeting but I wouldn't do that for integrity and ethics. I have consequently decided to step aside to demonstrate proper leadership within my ward. Therefore, the committee should look into that.

On alcoholic board, I am informed that some members already resigned so that they can go to other ventures like politics despite the fact that we are dealing with the issue of alcoholism in our county. Bars have not been issued with licenses and some have been given illegal licenses by administrators. We need an *ad hoc* committee so that it can provide proper directions on the reasons why alcoholism is still a runaway problem in our county as well as to why the members of the Alcoholic board resigned having gone through rigorous recruitment process. Could it be that they came to serve the county with a lot of passion but along the way, they were humiliated, intimidated and made to look undignified? Were some members compromised or preferred to others?

Mr Speaker, very soon, we shall have a stadium of national stature in Ol'Kalou. For the works to go on well, we need to have a stadium board to manage those affairs. We don't want the management of the stadium to be given to other people who have no interests in sports. We will also need proper guidelines on how our talented young people will utilize the stadium.

Mr Speaker, Lake Ol' Bollossat was to be gazetted in order to receive funds from the National Government for conservation and I believe we need to have a board to that effect. We shall not chase people who have encroached on the lake's land and then have others come and take over. I believe there is a need for a board to oversee the conservation activities around the lake.

We should have excellent committees and boards to make sure county resources are safeguarded and directed towards improving the socio-economic status of our people. I also wish to state that through establishment of these boards and committee, we are hopeful that the polytechnics will achieve their missions and objectives upon which they were founded.

Finally, Mr Speaker, we are establishing an *ad hoc* committee which is not balanced in terms of gender. We have four gentlemen and only one lady. I would request that since Ol'Kalou is also affected, I would wish that we add a lady in the committee so that they can be two. I know there are some issues that they can identify in our facilities and actually, assist us immensely. I know this House has always respected and observed the gender rule and we have gone far.

Thank you Mr Speaker, I would like to call upon Hon. Esther Mwangi to second.

**Speaker:** Yes County Member from Karau ward, Hon. Esther Mwangi.

**Hon. Esther Mwangi:** Thank you Mr Speaker. I stand to second and I would like to highlight some few points. We have all known that Nyandarua Alcoholic Board has been very corrupt and has misused its powers. They have been practicing very poor licensing. They do it anyhow. I concur with Hon. Gathure who said that they are doing it in a 'mathogothanio'<sup>1</sup> way. They are not observing the actual standards that every bar should meet before issuing licenses. They just issue licenses. They have been taking money from people and that is something that should be looked into so that it can be followed up.

The Nyandarua County community policy board also has not done anything in three years. It also should be followed. Am sure with the formation of the ad hoc committee, these boards will improve on the way they carry out their duties. So I support. Thank you Mr Speaker.

*(Question proposed)*

**Speaker:** Yes county member from Kiriita, Hon. Milkah Wanjiru Ndirangu.

**Hon. Wanjiru Ndirangu:** Thank you Mr Speaker. I stand to support this motion but with amendments if am allowed. This is a very important committee and you realize that as the mover said, many boards are not working. The *ad hoc* committee works hand in hand with the sectorial committees which these boards fall under, so that they can be able to discuss these matters exhaustively.

Some committees have already met with the board members and they are in the process of identifying the problems. It is my prayer that the ad hoc committee works together with the other committees for better handling of issues.

We need gender equality in the membership of this committee and my amendment is, a Hon. Female member be included in the list of members so that instead of five, they become seven members. I don't know whether that is the right way to move an amendment.

**Speaker:** You have not moved an amendment motion because you would have said that you wish to move a motion on amendment to the effect that the number be increased from this number to that. If you are talking about a lady and the number to become seven members, then they must be two ladies, but is it's one, then we will have two ladies and four gentlemen and the total will be six members.

**Hon. Wanjiru Ndirangu:** I stand guided by you Mr Speaker. The members are five, so we add two ladies. I beg to move an amendment motion that:

The membership of the ad hoc committee be increased from five to seven members so that it can accommodate two more ladies to meet the gender equality need. Thank you Mr Speaker.

*(Speaker consults with the clerk-at-the-table)*

**Speaker:** So who is your seconder?

**Hon. Wanjiru Ndirangu:** I call upon Hon. Kieru to second.

**Speaker:** Yes Member for Gatimu, Hon. John Kieru Wambui.

*(Hon. Joseph Kariuki rises on a point of order)*

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<sup>1</sup> Haphazardly

**Speaker:** There is a motion in progress and there is nothing unconstitutional about it and therefore you cannot raise a point of order. There is a proposal for amendment and the Member for Gatimu has been singled out to second.

**Hon. Kieru Wambui:** I second.

*(Question on amendment proposed)*

*(Question on amendment put and agreed to)*

**Speaker:** Proceed County Member from Kiriita.

**Hon. Wanjiru Ndirangu:** Thank you Mr Speaker for your consideration on gender equality. You are leading us in the right direction and you know the ladies of this House support you fully. I beg to support this motion. Thank you.

**Speaker:** Then you can call the mover.

**Hon. Wanjiru Ndirangu:** I now call the mover.

**Speaker:** Yes the mover and Member for Karau, Hon. Kenn Mukira.

**Hon. Kenn Mukira:** Thank you Mr Speaker and the members for your input. The Members of the ad hoc committee will make a great team and I believe that the report we are going to get from it and the recommendations that will be made, will be helpful to Nyandarua. I beg to move. Thank you Mr Speaker.

*(Speaker reads the amended motion but does not put the question)*

**Speaker:** Further Hon. Members, the clerk will be directed to appoint a secretariat to help the committee on its work. Most of the sectorial committees are dealing with these issues and I would advise the Ad hoc committee to involve the chairs of these other committees even before they visit those organizations. The mandates of the Ad hoc committee commence as of today and we expect a report within 30 days and I would urge the membership to give the names of the two ladies who have been added to the committee pursuant to the amendment moved.

*(Hon. Kieru Wambui rises on a point of order)*

What is it member for Gatimu, Hon. John Kieru Wambui?

**Hon. Kieru Wambui:** Thank you Mr Speaker. With respect to your guidance and the mandate of this committee, it is also important that you advise us on how long this committee remains effective. Is it determined by the 30 days the committee brings a report to this house or when does its life come to an end?

**Speaker:** They are supposed to table a report within thirty days after which it becomes the property of this house. If they will not have finished their business, they will seek the leave of the house to extend the time and go and conclude. Although we expect a report from the committee as a matter of urgency, the committee is at liberty to ask for an extension, pursuant to the Standing Orders.

*(Hon. Wanjiru Ndirangu rises on a point of order)*

**Speaker:** What is it member from Kiriita, Hon. Wanjiru Ndirangu?

**Hon. Wanjiru Ndirangu:** Mr Speaker I think I didn't hear you clearly. Now that the timeline for this committee to report is 30 days, when can we incorporate the two members who have been added to the committee?

**Speaker:** I said when putting the amendment question that we have added another clause to the list of members, two Hon. Ladies and the Clerk will appoint a secretariat and as early as tomorrow or latest on Monday, the names of those two members should be availed so that the committee can elect their chair and vice chair.

**Hon. Wanjiru Ndirangu:** Thank you for that guidance Mr Speaker.

*(The speaker consults with the clerk-at-the-table)*

**Speaker:** Very well. That is the same point the clerk was consulting with me on, that I did not put the question on the entire motion but on the amendment motion only. I have, however, put the question on both. About the amendment, and I think the Member for Central, Hon. David Maitai, wanted to speak on but he never rose, only put on his mic, I proposed the question and further stood to put it.

*(The speaker consults further with the clerk-at-the-table)*

**Speaker:** I am informed that I did not put the question and that is very serious on my part. I will ask the members to retract as I read the motion and put the question on the motion as amended.

*(Question on the motion as amended put and agreed to)*

**Speaker:** Thank you for noting the anomaly. The directions are as earlier stated and I expect that my office will be seized of the names by the clerks as they leave the chamber so that the necessary communication can be made.

Next order.

## ADJOURNMENT

**Speaker:** Very well Hon. Members, the business for the day having been exhausted, we shall adjourn to Tuesday, the 20<sup>th</sup> day of March, 2018 at 2:30 pm.

*(The House rose at 5.00 pm)*

