



REPUBLIC OF KENYA  
NYANDARUA COUNTY ASSEMBLY  
1<sup>ST</sup> ASSEMBLY-3<sup>RD</sup> SESSION



OFFICIAL REPORT

(The Hansard)

Tuesday 1<sup>st</sup> December, 2015

*The Assembly met at the Assembly Chambers, Manunga Catholic Hall at 2:30 P.M*

*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 no quorum*

**Speaker:** Having confirmed that there is no quorum, I direct that the division bell be rung for an initial 10 minutes, pursuant to standing order no. 34, or until such a time within the ten minutes when quorum will have been achieved.

*The quorum bell rings for 3 minutes and quorum is achieved as confirmed by the clerk- at- the- table.*

**COMMUNICATION FROM THE CHAIR**

‘OKOA KENYA ONE PEOPLE ONE NATION’ LETTER DATED 24<sup>TH</sup> NOVEMBER 2015

**Speaker:** Hon. Members, I have a communication because I think it is important that it be known by all the members of the House, since it is a matter that touches on the amendment of the Constitution or otherwise a proposed amendment to the Constitution. It is titled ‘Okoa Kenya One People One Nation.’ The letter is dated 24<sup>th</sup> November 2015 and it is addressed to all Speakers, all Leaders of Majority and Leaders of Minority.

Dear honourable,

Re: Invitation to Okoa Kenya Consultative Meeting on the Constitutional Amendment Bill

The above matter refers.

The Okoa Advisory Council in conjunction with Committee of Experts cordially invites you to a consultative meeting in the above subject matter.

The schedule of the meeting is here by attached.

The Okoa Kenya Constitutional Amendment Bill proposed *inter alia* to increase resource allocation to county governments from 15% to 45% of revenue from the receiving year. Similarly, the bill proposes the establishment of the Ward Equalization Fund to an allocation of 5% of the revenues. More significantly the bill proposes that 15% of revenue derived by the National Government from the natural resources be allocated to the county where the natural resources are extracted while 15% of such revenue collected by the government be allocated to the community where the resources are extracted.

We look forward to seeing you at the event and robustly share ideas on how to strengthen devolution in Kenya.

Signed by Paul Mwangi (Chairman Committee of Experts)

The letter is copied to the chairman of the members of the County Assemblies' Forum and all Clerks of the County Assemblies. The Speaker, the Leader of Majority and the Leader of Minority are expected to attend the consultative meeting. For the Central Region cluster constituting of Nyandarua, Nyeri, Kiambu Kirinyaga, Laikipia, Embu, Murang'a, Meru and Tharaka-Nithi, it is tomorrow 2<sup>nd</sup> December 2015 at Nyeri Green Hills Hotel at 2.00 p.m. The facilitators of the meeting shall be Senator James Orengo and Hon. Simiyu.

This is a very important information that requires to be in the knowledge of the members and I am directing that copies be made and put in your pigeon holes because whether we support this initiative or not it will come to the floor of this House. Once the bill is drafted by the I.E.B.C it will come to all the assemblies and it will only to the National Parliament if it gets a majority support. If it does not get the support of the majority of the assemblies the process will collapse so it is important that we take you through any information.

Next order.

### **PAPER(S) LAID**

THE REPORT BY THE COMMITTEE ON WATER, ENVIRONMENT AND NATURAL RESOURCES IN RESPONSE TO 'A STATEMENT SOUGHT BY HON. DORCAS KIHARA ON THE OPERATIONS OF THE DEPARTMENT OF WATER, ENERGY ENVIRONMENT AND NATURAL RESOURCES.'

**Speaker:** Yes, member for Charagita, Hon. Kiruka Mburu.

**Hon. Kiruka Mburu:** Thank you Mr Speaker. I beg to lay the Report by the Committee on Water, Environment and Natural Resources in Response to a Statement sought by Hon. Dorcas Kihara on the Operations of the Department of Water, Energy Environment and Natural Resources

**Speaker:** The paper is duly laid, the House Business Committee shall give direction on how this shall be processed.

Next order.

### **BILL(S)**

NYANDARUA COUNTY PUBLIC PARTICIPATION AND CIVIC EDUCATION BILL, 2015

**Speaker:** Yes, member for Engineer and the leader of the majority Hon. James Mwangi Gichuki

**Hon. James Gichuki:** Thank you Mr Speaker, I beg to lay the Nyandarua County Public Participation and Civic Education Bill, 2015.

**Speaker:** Very well, that paper is duly laid.

### **NOTICE(S) OF MOTION**

REPORT BY THE COMMITTEE ON WATER, ENVIRONMENT AND NATURAL RESOURCES IN RESPONSE TO A STATEMENT SOUGHT BY HON. DORCAS KIHARA ON THE OPERATIONS OF THE DEPARTMENT OF WATER, ENERGY ENVIRONMENT AND NATURAL RESOURCES

**Speaker:** Yes, member for Charagita and the Chairperson of the Committee on Water, Environment and Natural Resources, Hon. Paul Kiruka Mburu.

**Hon. Kiruka Mburu:** Thank you Mr Speaker, I beg to give notice of the following motion;

That this House does adopt the Report by the Committee on Water, Environment and Natural Resources in Response to ‘A Statement sought by Hon. Dorcas Kihara on the Operations of the Department of Water, Energy Environment and Natural Resources’ as a report of this House and the recommendations therein, as resolutions of this House.

**Speaker:** Very well the notice is duly given, the House Business Committee shall give direction on how this shall be processed.

Next order.

### **BILL**

#### ***First reading***

NYANDARUA COUNTY PUBLIC PARTICIPATION AND CIVIC EDUCATION BILL, 2015

**Speaker:** Pursuant to standing order no. 119, I direct that the Nyandarua County Public Participation and Civic Education Bill, 2015 be read for the first time.

*First reading*

NYANDARUA COUNTY PUBLIC PARTICIPATION AND CIVIC EDUCATION BILL, 2015

**Speaker:** Very well, the bill has been read for the first time and pursuant to the same standing order...I do not know whether the House Business Committee has agreed on the committee that should deal with it because it can be dealt with by either the Committee on Education or the Committee on Legal and Justice.

I think this matter should go to the Committee on Legal Justice and Public Service. The vice chair, county member from Charagita, Hon Miriam Ng'ang'a, you can give an indication on when you can process the bill and bring a report to this House

**Hon. Miriam Ng'ang'a:** Thank you Mr Speaker, I think we can give the report to the assembly after recess.

**Speaker:** The bill can be given priority on the resumption of the House after recess.  
Next order.

**MOTION (S)**

REPORT BY THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE COUNTY BUDGET  
REVIEW AND OUTLOOK PAPER 2015.

**Speaker:** Yes, member for Njabini/Kiburu and the chairperson, Committee on Budget and Appropriations, Hon. James Kiiru Gachomba.

**Hon. James Gachomba:** Thank you Mr Speaker, I beg to move the following motion;

That this House does adopt the report by the Budget and Appropriations Committee on the County Budget Review and Outlook Paper 2015 as a report of this House and the recommendations therein as resolutions of this House.

The Committee on Budget was mandated to go and write a report on the County Budget Review and Outlook Paper 2015 by this assembly. I believe that every member has the report in the file.

Mr Speaker, section 118 of the Public Finance Management Act, 2012 provides for the preparation, consideration, approval and submission of the County Budget Review and Outlook Paper to the County Assembly.

The main objectives of County Budget Review and Outlook Paper are to specify:

- a) the details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
- b) the updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
- c) information on—
  - (i) any changes in the forecasts compared with the County Fiscal Strategy Paper; or
  - (ii) how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
- d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

Mr Speaker, from the foregoing, the Committee sought leave for four days from 8<sup>th</sup> November, 2015 11th November, 2015 and proceeded to Masada Hotel, Naivasha where it scrutinized the paper. The Committee held meetings to deliberate on the same considering the following as the terms of reference; ...Members you can see the terms of reference, I will not go through them. Let us go to page 10 where we have the revenue actualized in the fiscal year 2014/2015.

Mr Speaker, the County Budget Review and Outlook Paper provides that, during the period under review, the revenue was realized as follows:

- a. The National Government transfers to the County Revenue Fund (CRF) was Kshs.3,758,296,517;
- b. The balance brought forward from the previous financial year (FY 2013/14) was Kshs.479,953,921;
- c. The County collected Kshs.240,629,472 as local revenue against a target of Kshs.200,000,000; and Mr Speaker there was a surplus of about Kshs. 40 million

d. The County received DANIDA grants to hospitals of Kshs.16, 480,000.

The total revenue in the County Revenue Fund realised add up to Kshs.4.495 billion

e. From the foregoing, it's evident that the County relies heavily from the National government Transfers (83%)

You can see that in terms of revenue collection we are still slow.

### Revenue trend analysis for the medium term

Mr Speaker, the local revenue collected accounted for 5.4% of County total revenue which is an improvement compared to the 2013/2014 financial year, where it accounted for 4%. There is a graphical presentation of revenue projected and realised in the FY 2013/2014 and FY 2014/2015 on page 11. There is also the Quarterly Review of the National government transfers for the financial year 2014/2015 and Nyandarua County Quarterly Revenue Analysis for FY 2014/15.

Revenue item	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
<b>Locally Raised Revenue</b>	26,862,669	25,013,247	100,705,132	88,048,424

Mr Speaker, the quarterly analysis shows that revenue collection was highest in the third quarter for Kshs.100, 705,132 attributed to collection of Single Business permits and for the consecutive financial years. The major local revenue sources has included single business permit, produce cess/royalties, Facility Improvement Fund and Plot rates among others.

On page 15 you can see that the County Government had an approved budget of Ksh.4,454,730,438 out of which, Kshs.2,626,662,549 billion (58.96%) was for the recurrent expenditure while Kshs.1,828,067,889 billion (41.04%) was for the development expenditure.

### Review on Actual Total Expenditure Performance in 2014/2015 Financial Year

Mr Speaker the Committee observed...

*Hon. David Ndirangu (Mirangine) rises on point of order*

**Speaker:** What is it member for Mirangine.

**Hon. David Ndirangu (Mirangine):** Mr Speaker, some of the members are lost. They do not have this document. For instance, the document that Hon. Mumba is holding is not the one that is being read.

**Speaker:** This is the document that was tabled and it was the first one in the files I think the outlook paper is also in the files...

Member for Njabini proceed

*Hon. Mumba Gichini rises on a point of order*

What is it member for Wanjohi

**Hon. Mumba Gichini:** Mr Speaker my file does not have that document. I was perusing this one to see where I got lost.

**Speaker:** Does it mean that you have the Outlook Paper but you do not have the report? I am sure both are in your files.

Member for Njabini proceed.

**Hon. James Gachomba:** Thank you Mr Speaker, the Committee observed that the County's total expenditure for the period under review was Ksh.3,937,866,658 against total budget approved of Kshs.4,454,730,438. 50

This total expenditure represents an absorption capacity of 94% of the exchequer releases of Kshs.4,133,248,965. In addition, Personnel emoluments had the highest absorption of Kshs.1.356 billion (102%) while Operations and Maintenance was Kshs.1.223 billion, representing 101% and Development expenditure had an absorption of Kshs.1, 310,885,964, representing 84 %.

You can see the Comparative analysis of the total expenditure for the FY13/14 and FY14/15. The Committee noted that the total expenditure on Personnel Emoluments, Operations & Maintenance was more than 100%.

EXPENDITURE ITEM	FY 2013/2014	FY 2014/2015
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Personnel Emoluments	1,290,632,088	1,356,713,467
Operations & Maintenance	1,029,272,345	1,270,267,227
Development	569,860,854	1,310,885,964
<b>Total</b>	<b>2,889,765,287</b>	<b>3,937,866,658</b>

On page 18 there is the the Comparative analysis of the total requisitions and the total actual expenditure.

Mr Speaker, the Committee observed that the total funds available for spending (requisitions) were not spent. However, further in depth analysis shows that there was an over expenditure on total recurrent expenditure of Kshs.45, 318, 147. On the other hand, a total of Kshs. 240, 700, 454 of total requisitions for development expenditure was not spent.

#### **Comparative analysis of total approved budget and total actual expenditure**

Mr Speaker, the Committee further found out that in the previous financial year, the total approved budget was not fully absorbed, that is, all other factors put constant, Ksh.517,181,925 for development as per approved budget was not spent and Ksh.318,145 for recurrent as per approved budget was over spent. These is as tabulated below.

**Table 1:4 Comparative analysis of the total approved budget and actual expenditure**

<b>Vote</b>	<b>Budgeted (Approved)</b>	<b>Actuals</b>	<b>Budgeted Versus Actuals</b>
Recurrent	2,626,662,549	2,626,980,694	-318,145
Development	1,828,067,889	1,310,885,964	517,181,925
<b>Total</b>	<b>4,454,730,438</b>	<b>3,937,866,658</b>	<b>516,863,780</b>



**Comparative analysis of total actual realized revenue and total actual expenditure FY2014/2015**

Mr Speaker, the Committee upon analysis found out that, the County Budget Review and Outlook Paper 2015 indicates that the total revenues realized from the National government transfers, donor funds, Treasury Returns and local collections is Kshs.4, 495,089,588

Table 1.2 Total actual realized revenue

<b>Revenues Item</b>	<b>Realized FY 2014/2015</b>
National Transfers	3,758,026,195
Local Collections	240,629,472
Hssf DANIDA	16,480,000
Treasury Returns	479,953,921
<b>Total</b>	<b>4,495,089,588</b>

**Quarterly Expenditure for the financial year 2014/2015**

Mr Speaker, the Committee noted that expenditure analysis shows the 4<sup>th</sup> quarter had the highest total expenditure of Kshs.2, 329,966,214 for the period which is attributed to:

- i. Delay in release of funds due to the Court Case on the County Assembly Ceilings, which was determined towards the end of the third quarter; and
- ii. The assent of the Supplementary Appropriation Act 2015 done in the fourth quarter.

There is a graphical presentation of the same.

Mr Speaker, the County Government has two arms, that is, the County Executive and the County Assembly. The County Executive has eleven (11) departments. These departments and the County Assembly as a department in the financial year under review had its own approved budget. The Committee observed that the departments had total actual expenditures for both recurrent and development as tabulated below;

**Table 1: Actual Expenditures by departments 2014/2015.**

<b>Department</b>	<b>Recurrent</b>	<b>Development</b>	<b>TOTAL</b>
<b>Executive, County Attorney and the CPSB</b>	314,333,775	3,000,000	317,333,775
<b>Finance &amp; Economic Planning</b>	341,777,602	78,518,830	420,296,432
<b>Agriculture Livestock &amp; Fisheries</b>	269,470,222	160,064,934	429,535,156
<b>Lands, Housing &amp; Physical Planning</b>	53,490,207	28,814,815	82,305,022
<b>Roads Transport &amp; Public Works</b>	77,618,661	499,825,456	577,444,117
<b>ICT &amp; E-Government</b>	48,898,347	0	48,898,347
<b>Health Services</b>	716,611,881	272,344,922	988,956,803
<b>Education, Gender ,Youth, Sports</b>	177,750,114	49,702,799	227,452,913
<b>Tourism Youth and Sports</b>	14,716,459	10,597,191	25,313,650
<b>Industrialization Coop, tourism</b>	66,311,203	34,219,706	100,530,909
<b>Water &amp; Environment</b>	68,760,833	93,784,429	162,545,262
<b>County Assembly</b>	477,241,390	80,012,882	557,254,272
<b>Total</b>	<b>2,626,980,694</b>	<b>1,310,885,964</b>	<b>3,937,866,658</b>

Source: Nyandarua County Treasury

In page 22 there is the

**Comparative analysis of the total approved budget and total actual recurrent expenditure per department for the FY2014/2015**

Mr Speaker, the Committee observed that the departments spent on recurrent expenditure as tabulated below.

**Table 1.3.1** Departmental Analysis on Recurrent Expenditure FY2014/2015

<b>Department</b>	<b>Approved 14/15</b>	<b>Actual as per CBROP</b>
Health Services	708,435,212	716,611,881
County Assembly	478,112,475	477,241,390

<b>Department</b>	<b>Approved 14/15</b>	<b>Actual as per CBROP</b>
Finance & Economic Planning	307,593,088	341,777,602
Executive, County Attorney, intergovernmental relations and the CPSB	290,848,869	314,333,775
Agriculture Livestock & Fisheries	264,493,820	269,470,222
Education, Gender, Youth, Culture and ECDE	80,111,932	177,750,114
Roads Transport & Public Works	74,510,000	77,618,661
Water & Environment	65,148,484	68,760,833
Cooperatives, Industrialization, Trade and Enterprise Development	64,121,696	66,311,203
Lands, Housing & Physical Planning	75,666,000	53,490,207
ICT & E-Government	53,523,223	48,898,347
Tourism Wildlife and Sports	10,597,750	14,716,459
<b>Total</b>	<b>2,473,162,549</b>	<b>2,626,980,694</b>

The analysis of expenditure indicates that the department of Health Services had the highest recurrent expenditure of Kshs.716, 611, 881 accounting for 27.3 % of total recurrent expenditure and department of Tourism, Wildlife and Sports had the least recurrent expenditure of Kshs.14, 716, 459 representing 0.56% of the total recurrent expenditure.

The high expenditure on recurrent is attributed to the huge health workforce.

Notably, the Committee observed that there was a variance in recurrent spending, departments spent more than the approved budgets. Members can go through the table.

Mr Speaker, the Committee further observed that the following departments spent less than the approved budget, that is,

- i. County Assembly
- ii. Department of ICT & E-Government
- iii. Department of Lands, Housing & Physical Planning

**Table 1.3.3** Variance on Less Recurrent Expenditure for FY2014/2015

<b>Department</b>	<b>Approved 14/15</b>	<b>Actual as per CBROP</b>	<b>VARIANC E</b>	<b>%</b>
Lands, Housing & Physical Planning	75,666,000	53,490,207	22,175,793	29%
ICT & E-Government	53,523,223	48,898,347	4,624,876	9%
County Assembly	478,112,475	477,241,390	871,085	0%

The above shows that there was a variance in spending; the following departments spent less than the approved budget, that is,

- i. County Assembly
- ii. Department of ICT & E-Government
- iii. Department of Lands, Housing & Physical Planning

However, all other departments surpassed the mark of the approved budgets and spent more as tabulated. The members can look at that table.

Comparative analysis of the total approved budget and total actual Development expenditure per department for the FY2014/2015.

Mr Speaker the Committee observed that the department of Roads, Public Works and Transport had the highest expenditure on development of Kshs.499.8 million. The second highest expenditure was in the department of Health Services at Kshs.272.3 million. The department for I.C.T and E-Government did not spend on development.

Mr Speaker, this is the department that we allocated Kshs 10 million for the automation of revenue collection but they never did that. The money was returned to treasury and we are doing a supplementary budget. Notably, the Committee observed that there was a variance in development spending; all the departments spent less than the approved budgets.

This is as further tabulated below,

**Table 1.3.4** Variance in Total Development expenditure for FY2014/2015

<b>Department</b>	<b>Approved 14/15</b>	<b>Actual as per CBROP</b>	<b>Variance</b>	<b>%</b>
ICT & E-Government	11,000,000	0	11,000,000	100%
Tourism Wildlife and Sports	34,880,000	10,597,191	24,282,809	70%
Lands, Housing & Physical Planning	57,000,000	28,814,815	28,185,185	49%
Cooperatives, Industrialization, Trade and Enterprise Development	52,570,000	34,219,706	18,350,294	35%
County Assembly	121,404,786	80,012,882	41,391,904	34%
Finance & Economic Planning	111,791,182	78,518,830	33,272,352	30%
Health Services	381,951,022	272,344,922	109,606,100	29%
Water & Environment	131,322,915	93,784,429	37,538,486	29%
Roads Transport & Public Works	669,096,689	499,825,456	169,271,233	25%
Education, Gender, Youth, Culture and ECDE	63,830,000	49,702,799	14,127,201	22%
Agriculture Livestock & Fisheries	190,221,295	160,064,934	30,156,361	16%
Executive, County Attorney, intergovernmental relations and the CPSB	3,000,000	3,000,000	0	0
<b>Total</b>	<b>1,828,067,889</b>	<b>1,310,885,964</b>	<b>517,181,925</b>	<b>28%</b>

**Comparative analysis of the total approved budget and total actual for established County Funds for the FY2014/2015.**

Mr Speaker, the Committee observed that in the financial year 2014/2015 there were the following funds established as per the provisions of Sections 110, 111, 112, 113, 114, 115, 116 and 135 of the Public Finance Management Act 2012.

**Table 1.3 Established County Funds for the FY2014/2015.**

<b>Name of the Fund</b>	<b>Amount</b>
County Emergency Fund	41,000,000
County Mortgage Fund	45,000,000
County Bursary Fund	67,500,000

PFM Act 110. (1) A County Executive Committee may, with the approval of the county assembly, establish an emergency fund for the county government under the name “.....County Emergency Fund” and the fund shall consist of money from time to time appropriated by the county assembly to the Fund by an appropriation law.

Mr Speaker, I believe that we have not done that and we are appealing to them to come up with an appropriation bill so that it can guide us on the same.

**Actual absorption of the Approved budget FY2014/2015**

Mr Speaker, the Committee upon analysis based on the actual expenditure, found out the following, that actual **absorption** rate is as follows,

**Table 1.3.4.1** Actual absorption rate of budget FY2014/2015

<b>Vote</b>	<b>Amount</b>	<b>%</b>
Recurrent expenditure	2,626,980,694	67%
Development expenditure	1,310,885,964	33%
<b>Total</b>	<b>3,937,866,658</b>	<b>100%</b>

The Committee acknowledges that the absorption rate was achieved as per Section 102 of the Public Finance Management Act 2012.

**The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;**

Mr Speaker, the Committee observed that the County Government has proposed an economic and financial forecast for FY 2016/2017 and the medium term in line with the fiscal

responsibilities and principles to maintain the sustainable foundation for the growth. The proposals represent a course maintenance in line with moderate economic growth over the past two years. Over the medium term, the fiscal objectives are to:

- Maintain the balanced budget in line with the set targets. This will require lower expenditure growth on non-core areas and diversification of revenue sources to increase revenue collection;
- Continue to channel resources towards County Government's priorities as set out in the County Fiscal Strategy Paper (CFSP) and County Integrated Development Plan (CIDP); and
- Maintain sustainable growth in budgets for recurrent expenditure. This will ensure that over 30 percent of the County Government's budget goes towards development.

Mr Speaker, 30% of revenue should be realised in the grassroots through development. We have seen that many departments have not done their best in this. Ministry such as agriculture keeps on telling us about value chain but this is the time for them to come up with a proposal. Money must go to Wanjiku so that she can feel the effects of devolution

### **Revenue Forecast**

Mr Speaker the Committee noted that CBROP indicates that the realization of revenue targets for the medium term will depend on the stability in the country's macroeconomic environment as well as improved revenue collection which will be achieved through enhanced capacity for the revenue collection department. Further, the CBROP indicates that for this to be achieved, it is assumed that:-

- i. There will be increased economic activities in the County and therefore contributing to the growth in GDP over the medium term period;
- ii. The Kenyan shilling will remain stable against other foreign currencies over the medium term period;
- iii. There will be improved revenue collection due diversification of revenue sources and enhancement of revenue collection;
- iv. There will be favourable weather conditions for agribusiness which is the back bone of Nyandarua County' economy and

- v. There will be no natural calamities/disasters

**Expenditure Forecast**

Mr Speaker, the Committee observed that the CBROP indicates that, the Nyandarua CIDP for the period 2013-2017 acknowledges that growth and job creation must be underpinned by a shift from consumption to investment particularly in core productive sectors and new areas with potential such as mechanized agriculture, tourism and sports.

Further, the medium term budget forecasts are pegged on the proposed revenue performance. The fiscal policies will aim at ensuring inclusive economic development targeted on poverty reduction and improvement of the well-being of the Nyandarua residents.

These forecast is based on the assumptions that:-

- The budgets will be funded with zero borrowings as the freeze on County borrowing holds;
- There will be high absorption capacities for spending agencies especially for development funds; and
- There will be continued implementation of the County government’s development agenda by investment in high impact flagship and other projects.

Member will go through the document and I now want to go to recommendations so that I can finish

**Recommendations**

Mr Speaker, after an in-depth analysis the Committee recommends the following to be adopted as resolutions of the House.

- i. **Recurrent expenditure.**

Department	Approved 14/15	Actual as per CBROP	VARIAN CE	%
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NCA/246/12/2015(3) NYANDARUA COUNTY ASSEMBLY DEBATES

The Committee notes that there were ceilings set for recurrent expenditure for the departments, inclusive of the County Assembly for the specific financial year.	Lands, Housing & Physical Planning	75,666,000	53,490,207	22,175,793	29%
	ICT & E-Government	53,523,223	48,898,347	4,624,876	9%
	County Assembly	478,112,475	477,241,390	871,085	0%
	Health Services	708,435,212	716,611,881	-8,176,669	-1%
	Agriculture Livestock & Fisheries	264,493,820	269,470,222	-4,976,402	-2%
	Cooperatives, Industrialization, Trade and Enterprise Development	64,121,696	66,311,203	-2,189,507	-3%
	Roads Transport & Public Works	74,510,000	77,618,661	-3,108,661	-4%
	Water & Environment	65,148,484	68,760,833	-3,612,349	-6%
	Executive, County Attorney, intergovernmental relations and the CPSB	290,848,869	314,333,775	23,484,906	-8%
	Finance & Economic Planning	307,593,088	341,777,602	34,184,514	-11%
	Tourism Wildlife and Sports	10,597,750	14,716,459	-4,118,709	-39%
	The respective departments spent more	Education, Gender, Youth, Culture and ECDE	80,111,932	177,750,114	97,638,182
<b>Total</b>		<b>2,473,162,549</b>	<b>2,626,980,694</b>		

or less of the approved budget as per deviations on spending tabulated below;

Table 5.1 Variances in Departmental Recurrent Spending.

Note that the negative denotes over expenditure.

In this regard, therefore the Committee recommends that the respective Accounting Officers in the County Executive and the County Assembly within fourteen (14) days to report to the County Assembly on how the funds were utilized and accounted for noting the cause of the variances.

**ii. Development expenditure.**

The Committee notes that there were ceilings set for development expenditure for the departments, inclusive of the County Assembly for the specific financial year. The respective departments spent less of the approved budget as per deviations on spending tabulated below;

**Table 5.2** Variances in Departmental Development Spending.

<b>Department</b>	<b>Approved 14/15</b>	<b>Actual as per CBROP</b>	<b>Variance</b>	<b>%</b>
ICT & E-Government	11,000,000	0	11,000,000	100%
Tourism Wildlife and Sports	34,880,000	10,597,191	24,282,809	70%
Lands, Housing & Physical Planning	57,000,000	28,814,815	28,185,185	49%
Cooperatives, Industrialization, Trade and Enterprise Development	52,570,000	34,219,706	18,350,294	35%
County Assembly	121,404,786	80,012,882	41,391,904	34%
Finance & Economic Planning	111,791,182	78,518,830	33,272,352	30%
Health Services	381,951,022	272,344,922	109,606,100	29%
Water & Environment	131,322,915	93,784,429	37,538,486	29%
Roads Transport & Public Works	669,096,689	499,825,456	169,271,233	25%
Education, Gender, Youth, Culture and ECDE	63,830,000	49,702,799	14,127,201	22%
Agriculture Livestock & Fisheries	190,221,295	160,064,934	30,156,361	16%
Executive, County Attorney, intergovernmental relations and the CPSB	3,000,000	3,000,000	0	0
<b>Total</b>	<b>1,828,067,889</b>	<b>1,310,885,964</b>	<b>517,181,925</b>	<b>28%</b>

Note that positive denotes less expenditure.

In this regard, therefore the Committee recommends that the respective Accounting Officers in the County Executive and the County Assembly within fourteen (14) days to report to the County Assembly on how the funds were utilized and accounted for, noting the cause of the variances as well as with an indication of the specific project(s) implemented.

**iii. County Funds**

The Committee observed that the following funds were appropriated for in the budget for the financial year FY2014/2015.

**Table: 5.3** Established County Funds FY2014/2015

<b>Name of the Fund</b>	<b>Amount</b>
County Emergency Fund	41,000,000
County Mortgage Fund	45,000,000
County Bursary Fund	67,500,000

In addition, the funds administration should be accounted for and reported to the relevant authorities, that is, as provided by the Public Finance Management Act 2012:-

- County Emergency Fund
- County Mortgage Fund; and y
- County Bursary Fund;

In this regard therefore, the Committee recommends that the respective Accounting Officers in the County Executive, within fourteen (14) days, to report to the County Assembly on how the funds were utilized and accounted for pursuant to Section 110, 111, 112, 113, 114, 115 and 116 of the Public Finance Management Act 2012.

Mr Speaker, in conclusion and pursuant to the provisions of Article 185 of the Standing Orders (unpublished) the Budget and Appropriations Committee recommends that:

“This House does adopt the report of the Budget and Appropriations Committee on the County Budget Review and Outlook Paper 2015/2016”

Mr Speaker, The document is supposed to review FY 2014/2015 development and how resources were divided among the departments. *Wanjiku* is waiting to see how much we shall do for her.

The document has also looked at the future of the county and this is meant to ensure that the financial state of the county is well. There is need to control the county's spending.

The document is meant to reduce poverty in the county. For the departments that are not doing anything, we are threatening not to allocate more money to them in our future budgets. We cannot continue funding departments that are not helpful to this county.

I congratulate the CECM for finance for the improvement in revenue enhancement. They are above the target with about forty million. The initial target was Kshs 200 million.

Mr Speaker, accountability must be seen in all the areas of our duties. In the year 2014/2015 we had a budget of about Kshs. 4.4 billion. The recurrent expenditure was about Kshs. 2.6 billion and the development expenditure was Kshs. 1.8 billion. We had meet the 30% which is a requirement in the Public Finance Management Act 2012. In terms of development, that year the county did well. However, a lot of money was spent on recurrent expenditure. The departments need to honour the timeline we have given them of 14 days. I wish to call upon Hon. Ndirangu, the vice chair of the Budget and Appropriate Committee, to second.

**Speaker:** Yes member for Mirangine, Hon. David Ndirangu

**Hon. David Ndirangu (Mirangine):** Thank you Mr Speaker, I rise to second the report. I will not dwell so much on the report because the chairperson has taken us through the report and every member has it.

Mr Speaker, you have seen that the County Executive tried as much as possible to collect more local revenue. The target was Kshs 200 million and a total of Kshs. 240 million was collected and that is good. In order for this government to have enough for its people, the government should have ways and means of collecting more local revenue.

The government needs to give more attention to where it is getting a lot of revenue. We have the single business permits, J. M Memorial hospital and liquor licenses and I do not know how the County Government will handle this issue. As much as we want more funds, the bars and liquor stores are being reduced yet we get more revenue from the same.

I second the report

*Question proposed*

**Speaker:** Yes member for Kaimbaga, Hon. Samuel Kimani Njiraini.

**Hon. Kimani Njiraini:** Thank you Mr Speaker. I rise to support the report and thank the Committee for the work well done. The major challenge in Nyandarua's CBROP is revenue collection and although we have improved on revenue collection, we can do better than that.

In other counties, parking fee is collected. We are losing so much revenue in major towns such as Miharati, Engineer and Ol'kalou because we do not charge parking fees. If we have good parking lots, even the motorists will pay the parking fee so willingly. When we collect a lot of revenue from one place in the county, let the people there get services in return. We find that some of the shopping centres have no toilets yet we collect revenue from the people there and we should focus more on health because we need healthy citizens who will be more productive.

I beg to differ with the chairperson because we do not have gold as Nyandarua County. Agriculture is the main source of income in Nyandarua and it is the one that boosts the economy. We should remove the word value chain because it is confusing people. People think that it is the chain we use to tie something.

We should not reduce the amount of money allocated to agriculture and I am not saying this because I am the chairperson Agriculture Committee. Murang'a allocates Kshs. 1 billion to agriculture but for we allocate more money to infrastructural development. We are looking forward to certified potatoes seeds and fertilizers.

We should also give priority to water. Water is life Mr Speaker. There are some areas that are drier than others like Kaimbaga which is almost semi-arid. During the dry spell animals die in most areas of Nyandarua. Industrialization is an area that can boost our youth and women economically. We can give them capital to start businesses. There are market sheds that were done all over the county and the traders are very happy.

We cannot construct roads every year but there is need to allocate enough money for that. Good roads will make the farmers to access the markets easily with fresh produce. I will finally talk about education. I do not know for how long we are going to build E.C.D.E classrooms. There is a campaign to do family planning in the villages, who will be using these classrooms? You find that when a child is supposed to proceed to primary school he or she will prefer the remaining in the pre-primary because the classrooms are good. We should have a policy that will enable us to construct standard one classrooms.

Good policies will help us change the face of education in Nyandarua County. Concerning the bursary fund, people are very happy. We gave one million shillings in this

financial year. I suggest that more money should be allocated for this purpose. Mr Speaker you said that the legacy that we shall leave will make people remember us. If we allocate more money, we shall be able to educate children, God will bless us and we shall be in this assembly until we grow old.

I support and call upon the mover to respond.

Thank you

**Speaker:** Mover.

**Hon. James Gachomba:** Thank you Mr Speaker. I thank the members for their support. I want to go back to what Hon. Njiraini has talked about. When we talk about value chain, we do not mean the chain we use to tie our dogs. We wanted to know what they have done to add value to the farm produce.

His line department is the one that has been giving farmers rotten seeds yet they cost this county a lot of money. These people should be surcharged. We have appropriated about 34 million shillings for fertilizer stores we cannot store subsidized fertilizers.

I thank everyone for supporting this document and I beg to move.

*Question put and agreed to.*

**Speaker:** The report has been adopted as well as the recommendations as resolutions of this House. These observations will be documented to the executive to ensure that they are considered in the budget.

I am very concerned that almost all departments except lands, I.C.T and the Assembly overshot their recurrent expenditure. All the departments did not exhaust their development expenditure. For what purpose was this recurrent expenditure?

I thank the committee for that very clear analysis and we are going to ensure that we communicate it to the executive because it will not be fair for the people to discover that there was development money that was returned to the treasury yet they are still suffering.

Next order.

### **ADJOURNMENT**

**Speaker:** Members, before I adjourn the House, there is a communication that has come that there is a pending report in the harmonization of the house committees and it is time we look at this issue and confront it. A *Kamukunji* should be convened to agree on the way forward.

The business of the house having been exhausted, the House stands adjourned to tomorrow Wednesday 2<sup>nd</sup> December 2015 at 9.00 a.m.

*The House rises at 4.02 p. m*