REPUBLIC OF KENYA

COUNTY ASSEMBLY OF LAIKIPIA

THE HANSARD

Thursday, 20th May, 2021

The House met at the Assembly Chambers at 2.30 p.m.

[The Speaker (Hon. Patrick Waigwa) in the Chair]

PRAYERS

PAPERS

LAIKIPIA COUNTY EXECUTIVE QUARTERLY REPORT BY THE TRANSPORT AND PUBLIC WORKS COMMITTEE

Hon. Daniel Mugweru: Thank you, Mr. Speaker. I wish to lay a paper on the report of the Transport and Public Works Committee on the County Government of Laikipia County Executive quarterly report and financial statements for the quarter ended March, 2019 dated 19th April, 2019.

NOTICE OF MOTION

LAIKIPIA COUNTY EXECUTIVE QUARTERLY REPORT BY THE TRANSPORT AND PUBLIC WORKS COMMITTEE

Hon. Daniel Mugweru: Thank you, Mr. Speaker. I beg to give notice of the following motion;

> THAT this Assembly adopts the report of the Transport and Public Works Committee on the County Government of Laikipia County Executive quarterly report and financial statements for the quarter ended March, 2019 dated 19th April, 2019.

STATEMENTS

HBC TENTATIVE BUSINESSES

Hon. Stephen Ndiritu: Thank you, Mr. Speaker. On behalf of HBC, I wish to read out the tentative businesses of next week. It is notified that the House Business Committee has approved the following tentative business to appear in the Order paper for Tuesday (Afternoon) May 25, 2021

A. **MOTION**- Report by the Transport and Public Works committee on the Laikipia County Government Executive Quarterly report and financial statements for the period ended March 2019.

It is notified that the House Business Committee has approved the following tentative business to appear in the Order paper for Wednesday (Morning) May 26th, 2021.

A. **RESPONSES TO STATEMENTS**- Response Statement No. 001/2021 to the Chairperson Health Services Committee (Hon. Veronicah Ikunyua, MCA) raised

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by the member representing Igwamiti Ward (Hon. Joseph Kiguru, MCA) on 9th March, 2021 pertaining to construction of Kiandege dispensary.

It is notified that the House Business Committee has approved the following tentative business to appear in the Order paper for Wednesday (Afternoon) May 26th, 2021

A. **RESPONSES TO STATEMENTS**- Response Statement No. 003/2021 to the Chairperson Finance and County Planning Committee (Hon. Mary Samken, MCA) raised by the nominated member of the County Assembly (Hon. Chris Mark, MCA) on 21st April, 2021 pertaining to County Government Assets.

It is notified that the House Business Committee has approved the following tentative business to appear in the Order paper for Thursday (Afternoon) May 27th, 2021

A. **PETITION**- Petition by a group of residents of Laikipia County concerning the consideration of the Laikipia County Environment Management and Coordination Act that seeks to provide a legacy framework (legal and institutionalized) and in accordance with Article 185(2), 186(1) and 187(2) of the Constitution by the Agriculture, Environment and Natural Resources Committee laid on 24th November, 2020.

Speaker: Hon. Ndiritu, I am saying that it is 24th November, 2020 because November 2020 is not yet.

Hon. Stephen Ndiritu: Ukweli. Ni kwa sababu tuko mwaka wa 2021 na akili yangu yote iko pale. Ningeomba kamati husika wawe makini na kwa sababu hii ni biashara za Bunge, wenyeviti wawe tayari kwa sababu Bunge iko tayari kufanya kazi na sisi tuko hapa kufanya kazi. Ningeomba zile kamati zote ambazo zimesomwa hapa ziweke hayo mambo kwa akili na wazipe kipao mbele.

Speaker: Thank you, Hon. Ndiritu.

MOTION

LAIKIPIA COUNTY GOVERNMENT QUARTERLY REPORT BY THE COUNTY COHESION AND LEGAL MATTERS COMMITTEE

Hon. Catherine Nyawira: Thank you, Hon. Speaker. I beg to move the following motion;

THAT this Assembly adopts the report by the County Cohesion Justice and Legal Matters Committee on the County Government of Laikipia (County Executive) quarterly report and financial statements for the quarter ended March, 2019 dated 18th May, 2021.

Hon. Speaker, first let me take this opportunity to thank the committee for having intense meetings to scrutinize the budget document and many other attachments for the administration department. This is a new committee and therefore I need to read out the new membership which comprises of;

1. Hon. Catherine Nyawira -Chairperson

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2. Hon. Salma Zamzam -Vice Chairperson
3. Hon. George Karuiru -Member.
4. Hon. Daniel Nyausi -Member.
5. Hon. Patricia Muthoni -Member
6. Hon. Judy Lukio -Member
7. Hon. Stephen Ndiritu -Member.

I want to thank them for the support they have continued to give me and their commitment to the committee. The document was very huge. Pursuant to Public Finance Management Act 2012 Section 166 which stipulates that not later than one month after end of each quarter, the County Treasury shall-

a) Consolidate the quarterly reports and submit them to the Assembly

b) Deliver copies to the Controller of Budget, National Treasury and Commission on Revenue Allocation, and

c) Publish and publicize them

In compliance to the above regulation, the County Government of Laikipia submitted the Quarterly Report and Financial Statements for the Quarter ended March 2019 to the County Assembly. This is the document which we have summarised and brought before this House.

Mr. Speaker, on the fiduciary management of funds, the key management personnel who held office during the financial period Financial Year 2018/19 and who had direct fiduciary responsibility were the County Executive Committee Member for County Administration and Public Services as well as the Chief Officer, County Administration and Public Services.

On the funds financial statements, Mr. Speaker, Sir, the County Government Financial Statement presents the recent actual fiscal performance for the quarter of Financial Year 2018/2019 and makes comparison to the Budget appropriation for the same year. It further provides a comprehensive and financial review with sufficient information to show changes from the projections outlined in the latest County Fiscal Strategy Paper 2018/2019. The statements also provide an overview of how the actual performance of third Quarter of 2018/2019 affected the compliance with the fiscal responsibility principles and the financial objectives as detailed in the 2018/2019 County fiscal strategy paper.

Below is an extract from the Administration docket that showed what the Administration Department had on that quarter and you can be able to see that most departments in administration had no projects that were done by the department in that quarter. Most of it was service delivery which the committee will be proceeding to look at the efficiency and effectiveness of the service delivery. So you can go through that extract and see the variances. Of course some of the departments overspent by expenses of almost two million meaning that other quarter now have less money to spend. Meaning that in 2nd quarter if you

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spend two much then during the 3rd quarter you will literally have nothing to spend because money will have been taken over.

Mr. Speaker, the department had an absorption rate of 85.69%, Kshs. 600,779,629 was spent against a budget of Kshs. 701,135,375. This under absorption is explained by the slowness in the release of funds by the National Treasury. Some votes spent more than their budget. They include:

1. Office of the County Secretary with 129% absorption rate. If you look at the chart you will be able to see that they spent an extra 412,000.
2. Project Coordination and Monitoring with 151.8% absorption rate.
3. Office of the Governor with absorption rate of 112%. You can see from the chart that they spent close to an extra million.
4. County Attorney and Legal Services with 140% absorption rate. When we were looking at that as a committee we were looking at that we were thinking that the cases that have been there in Laikipia have caused it however we as a committee we will endeavour to find out why the department spent more than they had been allocated in that Financial Year.
5. Human Resource Management and Development at 112.1% absorption rate.

Low expenditure was experienced in the vote of public service management which includes personnel emoluments and insurance for the employees. However this can be explained on the basis that high expenditures on insurance could have been made in the first half of the year period between July and December 2018.

Mr. Speaker Sir, headquarter services also experienced a reduced expenditure. The vote expenditures stood at Kshs. 7,285,599 against a budget of Kshs. 21,059,250. This represents 34.6 absorption rate. The expenditures in this department are of recurrent nature as no developments were done in that quarter.

The committee observed that;

1. No development expenditures during the reporting period. The Committee noted that all the expenditures incurred during the period were largely recurrent in nature.
2. There was over-absorption of the estimated expenses. Some votes went beyond their allocation which can lead to depletion of funds before the end of the year.

The committee recommends that;

1. The County Administration and Public Service Department prioritise on developments during the next quarter. The recurrent programmes vote is not the only amount in the budget for the Financial Year 2018/2019. Meaning that the whole year there were some developments but in this quarter there were no developments done.

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2. The County Government needs to plan for expenditures before use, cash plans can be used for planning purposes to control use of cash in the Department.

Hon. Speaker I would also like to urge the House to adopt this report and I wish to call upon my Vice Chair, Hon. Zamzam Hussein to second this report.

Hon. Salma Zamzam: Asante sana, Bwana Spika kwa kunipa nafasi nichangie kwenye ripoti ya Mshikamano na Mambo ya Kisheria katika serikali yetu iliyo madarakani, na ripoti ya robo ya mwaka na taarifa za kifedha za mwaka wa 2019 mwishoni mwa mwezi wa tatu. Bwana Spika, nashukuru ofisi yako na Kamati na Mwenyekiti wa Kamati ya mambo ya mshikamano na sheria, Mheshimiwa Nyawira, kwa kuona umuhimu wa kuleta mambo kwenye Bunge ili tuwe na mpango wote kuhusu hii kamati na tuangalie jinsi ambavyo idara zimeweza kutumia fedha, na zile ambazo hazijaweza kutumia; mipangilio yao ya kifedha ya mwaka wa 2019.

Dadangu aliyetoa hoja ameweza kutupeleka hadi kwenye ukurasa wa 5 na tumeonyeshwa kiwango kilichowekwa kwenye robo ya mwaka, kile walichotumia, walichozidisha na zile idara ambazo hazijazidisha. Ni kurasa nyingi ambazo tuliletewa na karani husika na tulipitia kama kamati na kusema ni vyema iletwe kwenye Bunge ili Waheshimiwa waweze kuangalia, kupitia na kukubaliana na kamati.

Bwana Spika, ukiangalia afisi ya katibu wa Kaunti, iliweza kupitisha 29% ambayo kama viongozi ni vizuri tuchunguze, kama vile dadangu Mheshimiwa Nyawira amesema, na kuangalia zilitumika wapi na nini kilichofanyika ili hizo zote zipitishwe. Kuna idara ambayo tumeambiwa ni ya uratibu wa miradi ambayo ilipitisha kwa kiwango cha juu cha 151% na tungependa, kama kamati husika jinsi ambavyo dadangu Mheshimiwa Nyawira amesema, kuwaita na kuwachunguza zaidi ili tuweze kuchunguza na kuangalia kwa undani.

Tumeona afisi ya Gavana imeweza kupitisha kwa 112% na ni vizuri kama sisi Wajumbe, kwa sababu kazi yetu ni kuangalia, tuweze kuona hizo pesa tumepitisha kwa ofisi ya Gavana inatumika aje hadi hata inazidi unga. Ni vyema kama viongozi tuweze kuelewa. Tumeona kwa Mwanasheria Mkuu wamepitisha kuwa 140%, ambayo dadangu amesema kuhusu.

Tulijadili kwenye kamati kuhusu haya mambo ya kufuta wafanyikazi. Tumeona madaktari na wafanyikazi wengine wameenda nyumbani. Tunaona hii pesa inaenda zaidi na ndio maana tukaweka kwa kiwango cha juu. Ni vizuri kamati husika na hizo zingine ziweze kuangalia. Tumeona *Human Resource* imeweza pia kupitisha na ni vizuri tujue.

Tukienda kwenye mapendekezo ya kamati husika, tumeiambia serikali iwe na mpango wa matumizi ambayo wanapangia pesa na malengo na mpangilio kwa kila idara. Kamati ilifanya kazi na tukaona ni vyema kuleta kurasa. Ni kamati ambayo iliweza kufanya upelelezi tukiwa na dadangu ambaye anafanya vizuri katika utafiti. Aliangalia na kuona ni vizuri iletwe kwenye Bunge ili Waheshimiwa waione. Sina mengi ila naomba Waheshimiwa wenzangu watoe mchango na kuiangalia vizuri ili tuipitishe. Asante.

(Question proposed)

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Hon. Chris Mark: Thank you, Mr. Speaker. I commend the committee for their hard work and timely approach because rarely in this House do I see reports, especially financial or even a quarterly report. I believe that if we are going to do oversight on these departments, we should align the financial statements and work plans for these departments vis-à-vis with the projects and outcomes of these departments so that we are able to actually oversight them. Long gone are the days when we just wait for the audit report to be brought here and that is when we see the mistakes. I believe that we can follow up through what was initially proposed in the financial statements that this is what we intend to finance.

What was the work plan at the time, then we will be able to cover all the grey areas that at times allow for there to be misappropriation of funds or even diversion of funds from certain projects, or even non-delivery of these projects which have already been budgeted for in this financial report?

It is a timely document and I believe is a pacesetter. In fact most departments, apart from just bringing documents on things of general oversight, we should get these financial statements. I wish I could have gotten this document earlier on, I would have poured a lot of debate on it and even dug further. But I just said that I will say two or three words because I believe it is timely and important for us to follow through. We cannot come and claim errors and red flags when the process has already passed.

I am seeing this is the 2018/2019 if I am not wrong, so I know that very soon they shall be bringing the one for 2019/2020. If we can be walking along with these, the CECMs and COs, who are accounting officers, will not have an excuse not to implement what they have proposed in these financial reports. If they do not, they will be able to tell us where the money has gone.

I have seen one of the observations here is that there is more going into recurrent than development. It is only one month, and by July you shall hear that we have returned a lot of money to the exchequer. The funny thing is that we always underutilize money for projects. I do not know what the cause for that is, but we have never returned money for recurrent. It is always fully exhausted to a point it is on a negative.

Money for development, we are here as a House, we shall hear in July that Laikipia for example, there was a time I think it was Kshs.400 million that went back to the exchequer that was meant for development. This is a good guide and I support the Committee on their work and commend them, and urge my fellow colleagues to support. Thank you.

Hon. Daniel Mugweru: Thank you, Mr. Speaker. I also rise to support this report from the County Cohesion, Justice and Legal Matters Committee. We are talking about 2019 and we are in 2021. This report has come at the right time when maybe we can give our input because of the future. It is so unfortunate because the Committee was able to give recommendations and observations, and one of the observations that the Committee made is that most of the expenditures are recurrent and development has very low absorption.

Mr. Speaker, why we were elected and why we represent people is because we need every coin that is for Laikipia, after months or many years, or after the term that we are given

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by the people of Laikipia, that we can show something on the ground. Recurrent is nothing feasible and when we see that the biggest percentage of the budget that has been absorbed is that of recurrent, then it gives us a big shock.

They have given a recommendation that the County Government needs to plan for expenditures before use. Lack of plans before use is what has caused several offices in this County Government to overspend, to observe up to 129% and others 151%. If at all we have plans before use, there is no way you can over utilize with over 50%. It is either the process when we were doing the budget; that there was no work plan before. We are supposed to have a plan. That is why we have been complaining in this Assembly that we just go and set out funds for a certain project without even the bill of quantity, without even knowing how much is supposed to be utilized in the same project.

Mr. Speaker, we need to arrange our items, we need to prioritize. Work plans should come first before use. When you plan to use Kshs. 20,000, you cannot find yourself using Kshs. 25,000. So when we see, for example, the office of the County Secretary absorbing 129%, and about the project coordination and monitoring absorbing 151%, this is really shocking. The Office of the Governor absorbing 112%, the County Attorney and Legal Services absorbing 140%.

I am very sure that the money that could have been used for development is maybe the 29%, or the 51% that has been over utilized. I am very sure that the money we are getting that could have been used for development may be it is the 29% or the 51% which has been over utilised. That is why we are finding that in development nothing has been done and if there is something it is very minor. Something that cannot even be seen or invisible. So I really support this report and also urge that this House should make a follow up, a serious follow up that the recommendations that have been given by this Committee are properly implemented. They should also be properly followed so that we do not find ourselves in the next quarter, we find that there are offices that are using over 150%.

Mr. Speaker I support and really request that the committee to continue making follow ups on the same and also to make sure that the Executive follow the recommendations given by the House. The recommendations given out here are out of observations that have been observed by the Committee and found out that these recommendations will be the best for this County, so I support, thank you.

Speaker: May I now call upon the mover to give a reply.

Hon. Catherine Nyawira: I want to thank the Honourable Members for their contribution and I want also to make a few remarks on the notes that have that have been contributed to. One, is to make it clear this is a quarterly report, so it is three months meaning there is another quarter that will come probably on March, April, May or June which will come. We are waiting to see which projects were done in another quarter of one year's budget.

Secondly Hon. Speaker the Department of administrations, a key and core agenda is to effectively and efficiently manage interactions, customer service, serve the people through

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ward officials, so that is majorly of the administration Department. Projects only come as a compliment but however that does not stop them from complementing those projects.

Mr. Speaker it is not in vain because I know this committee will bring a report, to show that a number of policies were passed by that department and therefore that will be justifying, why so much money was allocated in departments like Policy Advisors. Mr. Speaker this Committee also intends to call the County Attorney, to explain the Legal cases that have drained 4.2 million within that quarter. I will ensure that the committee does that, so I want to thank the Members, I also want to thank the Committee and urge Honourable Members to adopt the report. Thank you.

(Question put and agreed to)

ADJOURNMENT

Speaker: The sittings of this House now stands adjourned until tomorrow, Tuesday 25th May, 2021 at 2:30 p.m.

The House rose at 3:04 p.m.

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