REPUBLIC OF KENYA

COUNTY ASSEMBLY OF LAIKIPIA

THE HANSARD

Wednesday, 23rd June, 2021

The House met at the Assembly Chambers at 9.30 a.m.

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

PRAYERS

QUORUM CALL

Speaker: Clerk kindly confirm if we have quorum

(Lack of Quorum confirmed)

Speaker: Clerk kindly confirm if we have achieved quorum

(Quorum confirmed)

Speaker: Serjeant at Arms, stop the Quorum bell.

MOTION

[Resumption of previous debate dated 22/06/2021]

LAIKIPIA COUNTY GOVERNMENT AGRICULTURE QUARTERLY REPORT AND FINANCIAL STATEMENTS FOR 2018/2019 BY THE AGRICULTURE COMMITTEE

THAT this Assembly adopts the report by the Agriculture, Environment and Natural Resources Committee on quarterly report and financial statements for the quarter ended March, 2019 for the 2018/2019 financial year for the Department of Agriculture, Livestock and Fisheries dated 8th June, 2021.

Speaker: Hon. Members this motion was discussed and even the mover gave a reply.

(Question put and agreed to)

Speaker: Chairperson Finance and County Planning Committee, Hon. Mary Samken.

MOTION

LAIKIPIA COUNTY GOVERNMENT FINANCE QUARTERLY REPORT AND FINANCIAL STATEMENTS BY THE FINANCE COMMITTEE

Hon. Mary Samken: Thank you, Mr. Speaker, Sir. I beg to move the following motion;

THAT this Assembly adopts the quarterly report of the Committee on Finance and County Planning on the County Government of Laikipia quarterly report and financial statements for the quarter ended March, 2019 dated 2nd June, 2021.

Mr. Speaker, I would like to start from page 3. On behalf of the Members of the Committee on Finance in pursuant to the provision of Standing Order No. 191/5 (f), it is my pleasure and duty to present to the House, the committees report and financial statements for the quarter ended 31st March, 2019.

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Committee's Membership;

1. Hon. Mary Samken -Chairperson
2. Hon. George Karuiru -Vice Chairperson
3. Hon. Joseph Kiguru -Member
4. Hon. Joseph Suge -Member
5. Hon. Chalumbo Kaparo -Member

Mr. Speaker, May I take this opportunity to thank all the Members of the committee for their valuable contributions during the entire process. On the background information, pursuant to the Public Finance Management Act 2012 Section 166 which stipulates that not later than one month after the end of each quarter, the county treasury shall;

1. Consolidate the quarterly reports and submit them to the Assembly.
2. Deliver copies to the Controller of Budget, National Treasury and commission on revenue allocation
3. 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.

On Fiduciary Management of the Funds, the key management personnel who held office during the financial period F/Y 2018/19 and who had direct fiduciary responsibility were the County Executive Committee Member for Finance, Planning and County Development.

On the funds financial statements, the County Government financial statements presents the recent actual fiscal performance for the quarter of F/Y 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 provide an overview of how the actual performance of 3rd quarter of 2018/19 affected the compliance with the fiscal responsibility principles and the financial objectives as detailed in the 2018/19 county fiscal strategy paper.

On revenue, the county budgeted for Kshs. 6,563,307,187 to be financed by Kshs. 4,113,400,000 as the equitable share. Kshs. 800,000,000 as the estimated balance brought forward Kshs. 822,907,187 as conditional grants and Kshs. 800,000,000 as own source revenue of which Kshs. 471, 000,000 was for the County Assembly and Kshs. 6,605, 307, 187 for County Executive.

Mr. Speaker, the table shows the budget execution by programmes and sub-programmes. From the table, there is an over expenditure for six programmes and only one programme which is accounting and financial statements that is within its estimates and it had an estimate of Kshs. 3,245,500 and has used Kshs. 941,799 and still has a balance of Kshs. 2,303,701. The others have got an expenditure that has led to an over expenditure of Kshs. 6,760,871.

Hon. Mary Samken: Mr. Speaker, Sir, the department had an absorption rate of 102.4%, Kshs. 288,256,753 was spent against a budget of Kshs. 281,495,882. This over

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absorption is explained in the above table. Some votes spent more than their budget. They include:

1. Headquarters with 100.2% absorption rate.
2. Budgeting Supply and Fund with 110.74% absorption rate.
3. Revenue Generation and Resource Mobilization with an absorption rate of 111.71%
4. Internal Audit and Risk Management with 106.74% absorption rate.
5. Supply Chain Management at 213.07% absorption rate
6. Statistics, Economic Planning and County Development with an absorption rate of 130.53%.

This over absorption could lead to depletion of the budget before the end of the year. It could also lead to a rise of the pending bills. It is vital to note that there was a low absorption rate of 29% in the vote of accounting and financial accounting.

Committee Observations

Mr. Speaker, the Committee observed that;

1. There was over-absorption of the estimated expenses which has led to depletion of budget before time, and could also lead to rising of the pending bills and money removed from other programmes thus crippling them.
2. There was low expenditure in the accounting and financial reporting programme. This may be due to lack of efficacy in the County Treasury on matters of accounting and reporting services.

Committee Recommendations

1. The County Government needs to plan for expenditure before use, cash plans can be used for planning purposes to control use of cash in the department.
2. The department should streamline on its accounting and reporting services programs for optimal service delivery.

Committee Conclusion

Mr. Speaker, I urge this House to adopt the Committee of Finance, Planning and County Development report on the County Government of Laikipia Quarterly Report and financial statements for the quarter ended 31st March, 2019.

I would like to call upon the Leader of Majority to second the report. Thank you.

Hon. Joseph Kiguru: Thank you, Mr. Speaker, Sir. I rise in seconding or even supporting the report of the Committee of Finance and County Planning on County Government of Laikipia (Executive) Quarterly Report and financial statements for the quarter ended March 2019.

Mr. Speaker, I think across all departments as the Committee of Finance have observed, as we move on to every department, be it Infrastructure, or Agriculture and Water, there has been overspending across all departments. I do not know why these people are doing this, either

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deliberately, committing to development without planning in a way that we avoid having a lot of pending bills.

This is the high time for the Members of this House to have a plan on how we can work across the board to make sure the contractors of this County do not go through a lot of stress due to lack of payment. It is in our recommendations that the County Government needs to plan for expenditure before use. Cash plans can be used for planning purposes to control use of cash in the department.

The department should also streamline its accounting and reporting services on optimal service delivery. As I second I think we should as a House look for the ways we can avoid this issue of overspending and at the end of the day you find ourselves as if we have no plan. I urge Members to approve this report. Thank you.

(Question proposed)

Hon. Daniel Nyausi: Thank you Hon. Speaker. I wish to thank the committee for bringing this report on time to the Assembly. Also the insight observations on perusing that department, it is quite a commendable report. I urge Hon. Members that we support and encourage others committees to ensure that we bring these reports on time so that we start dealing with the current on goings in various departments. I squarely agree with the committee and request Hon. Members to support. I thank you.

Hon. Wilson Wakahiu: Thank you Mr. Speaker. I rise to support the report by the committee. I want to thank the zeal and energy of the committees in the way the reports are coming to this House for approval and adoption. For that case, I have realized for the financial year ended 2019 and I believe having started like this before the end of this term every committee will be able to present to this House and table the financial statements of their respective department so that Members will have time to oversight where the departments are failing as far as the implementation of projects are concerned.

Mr. Speaker, I have an issue I want to raise with the Committee concerning the local revenue target. I believe it is the responsibility of this committee to furnish this House with reports on how the County Government in the department of Finance are able to meet the target in the local revenue collection. When we were budgeting, there was a certain target that they promised to hit and in a way it has come to the attention of this House that they didn't attain the said target. I believe this is one area that causes the issue of pending bills for lack of enough finance.

I believe if the committee will be in a position to furnish us with information on how maybe the finances streams since the first, second and third quarter, even we as a House will be able to make the budget known. If we can set a target on their behalf or give them an opportunity to set for us having approved what they have collected for that particular year.

Mr. Speaker, as much as we may see how they have performed, I understand that they are supposed to furnish us with that information. The other thing and I beg to be understood in this because in one way or the other we fail in our own area of mandate. I believe the Finance Committee is one of the Major Sectoral Committees in this House. It oversights the department of Finance.

It has come to my attention that some people believe the Finance Department is being oversighted by Budget and Appropriations Committee. It is very wrong because ours is only to take information or report from the sectors as well as the Department of Finance but the

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oversighting committee is the Committee on Finance. I want to request that so that the Members can understand the mandate of Budget Committee in which I am the Chair.

Therefore Mr. Speaker, I request Members to understand our mandate as a Committee on Budget which I am the Chair. I believe when Hon. Samken was reading this there was a certain statement she read that the money that was supposed to be utilised that was budgeted for was more than 6 billion. That covers all the departments which entirely lies on the people who manage the finances at the Treasury.

Finance Committee is the one that oversights. This is because the Finance Committee is a select committee where we sometimes get information then we go through, we get opinion from the Members, public and the CECM for Treasury but when it comes to the oversight, it is entirely the sectoral committees.

I appreciate the report brought to the floor of the House by Hon. Mary Samken. I believe it is the other day that she was given the position as the Chairperson and I believe she has a lot to do. Having submitted the report, I believe the committee have started and at the end of this term the report will be tabled, approved and adopted in this House. Thank you, Mr. Speaker. I support the committee.

Speaker: May the mover give a reply.

Hon. Mary Samken: Thank you, Mr. Speaker. I want to take this opportunity and thank the Hon. Members who have contributed. I am taking to account what the Hon. Member for Salama is saying, we should finance this House with quarterly report on Revenue collection which we can furnish. Mr. Speaker, it is obvious why we are not meeting the target especially now we are constrained with the COVID-19, people wanting waivers and other factors that have brought a lot of constrain to our people.

Mr. Speaker, we have also seen from the quarterly report that has come into this House that there is an over expenditure in most programs. Mr. Speaker, people are involved in the budget process. This week we have been defending our sectoral committees report and sometimes you are trying to defend your budget but it is beyond our control because others want to remove money from there. This is what is leading to over expenditure and money not utilised in programmes.

As people are involved in the budget making process, we are not cautious on what we are doing. Mr. Speaker, we are supposed to be keen on what we do and make sure that we do not remove money from other programmes because we are crippling those programmes. Thank you, Mr. Speaker. I urge Hon. Members to approve the report.

(Question put and agreed to)

COMMUNICATION FROM THE CHAIR

SCRUTINIZING OF COMMITTEE REPORTS

Speaker: I wish to encourage Hon. Members to interrogate these reports. They are very important. Remember there was a day we had limited reports. Now that we have them, let us interrogate them. They are for information and as one of the Hon. Member said that oversight is our work. Therefore, we should always look at these reports and get the information that can assist us to do our oversight because that is our role.

One of the ways that we do oversight is not only going to the field but also getting these reports and interrogating them. If need be for us to go to the field to compare what we have

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seen, we can always compare and see whether that is the correct information on the ground. I know the committees look at the report because these are the reports for the committees, they ought to have received the reports from the Executive.

They should interrogate them and come with a report of their own. When they give the recommendations, it is a way forward that this House is advising the Executive on the way to go for the better lives of the Laikipians. We need to be committed on the same. I wish these reports are supplied before time so Members will have time to read even when at home and during your free time so that we get that understanding.

I wish to end by quoting a verse in the Bible that says that the Lepers were nobler, respectable and honoured than the people of Athens because they looked at the scriptures to see whether what Paul was preaching was right. It is important for us to interrogate these reports. This report is just a document but it carries how well lives of Laikipians can be improved because they give the recommendations and the way forward. What is it that we would wish the Executive and the Governor to do is recommended in this report.

When the committee sits to do the recommendations it is important for us to do a follow up. When they say the revenue collection was down, what do you do to raise the revenue? If you do not raise the revenue, it means we shall have a shortage on budget and we cannot be able to meet the needs of Laikipians. I wish to encourage everyone to interrogate reports deeply.

ADJOURNMENT

Speaker: Hon. Members, the sittings of this House stands adjourned until later today Wednesday, 23rd June, 2021 at 2.30 p.m.

The House rose at 9.33 a.m.

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