

Friday, 22nd December, 2017 COUNTY ASSEMBLY OF SIAYA DEBATES

REPUBLIC OF KENYA
SIAYA COUNTY ASSEMBLY

THE HANSARD

Second County Assembly – First Session

Friday, 22nd December, 2017

SPECIAL SITTING

The House met at the County Assembly Chamber at 9.30 a.m.

[The Speaker (Hon. Okode) in the Chair]

PRAYER

PAPER

THE SIAYA COUNTY SUPPLEMENTARY BUDGET ESTIMATES FOR FY 2017/2018

Hon. Madialo: Mr. Speaker, Sir, I wish to lay on the Table of the House, a Report of the Budget and Appropriations Committee on the Siaya County Supplementary Budget Estimates for the FY 2017/2018.

(Hon. Madialo laid the document on the Table of the House)

NOTICES OF MOTIONS

Hon. Madialo: Mr. Speaker, Sir, I wish to give notice of an intention to move the following Motions:

1. THAT, this House adopts the Report of the Budget and Appropriations Committee on the Siaya County Supplementary Budget Estimates for FY 2017/2018 laid on the Table of the House today, Friday, 22nd December, 2017.
2. THAT, pursuant to the provisions of Standing Order 117, This House resolves to reduce the publication period of the Siaya County Appropriation (Amendment) Bill, 2017 (County Assembly Bill No. 19 of 2017) from 7 to 2 days.

MOTION

THE SIAYA COUNTY SUPPLEMENTARY BUDGET ESTIMATES FOR FY 2017/2018

Hon. Madialo: Mr. Speaker, Sir, I wish to move the following Motion:

Friday, 22nd December, 2017 COUNTY ASSEMBLY OF SIAYA DEBATES

THAT, this House adopts the Report of the Budget and Appropriations Committee on the Siaya County Supplementary Budget Estimates for FY 2017/2018 laid on the Table of the House today, Friday, 22nd December, 2017.

Mr. Speaker, Sir, this Report is in the possession of all Members of this House present in this sitting. Page three discloses the membership of this Committee and I will invite Members to read that part on their own.

Mr. Speaker, Sir, several meeting of the Committee were held and there were interactions between the Executive and Members of the County Assembly. Deliberations were made and observations pointed out.

Mr. Speaker, Sir, this Supplementary Budget Estimates for 2017/18 has been necessitated by the following major factors;

- i. The need to align the equitable share and conditional allocations with the provision of the County Allocation of Revenue Act (CARA), 2017;
- ii. To roll over projects worth Kshs 499,123,042 which were not rolled over by 30th June, 2017; and
- iii. To review the budget estimates in order to finance the budget deficit of Kshs 675,190,286.

The composition of the deficit arising from rolling over of projects to FY 2017/2018

Mr. Speaker, Sir, a total of Kshs 3,153,248,740 was allocated for the development projects during the FY 2017/2018. During the Committee meetings with the CEC Member for Finance, this Committee was informed that by the time the 2017/2018 budget was being passed by the County Assembly, a list of projects to be rolled over to FY 2017/2018 was not ready and the closing balance of the County Revenue Fund (CRF) was not immediately available.

These facts having been made available, the County Treasury confirmed a mismatch between the value of projects to be rolled over and the closing balance in the CRF. The total value of projects whose payment were not made to completion in the FY 2016/17 hence should be rolled over to the FY 2017/18 is Kshs 1,174,313,328 while the cash available at the CRF is Kshs 499,123,042. This creates a deficit of Kshs 675,190,286.

Mr. Speaker, Sir, while engaging the County Treasury regarding the composition of the deficit above, the Committee was informed that the following were the causes;

- | | | |
|-----|---|-------------------|
| i. | Borrowing from development to finance recurrent | Kshs. 284,246,960 |
| ii. | Payment of outstanding taxes for FY 2015/16 | Kshs. 112,634,312 |

Disclaimer: The electronic version of the official Hansard Report is for information Purposes only. A certified version of this Report can be obtained from the Hansard Editor.

Friday, 22nd December, 2017 COUNTY ASSEMBLY OF SIAYA DEBATES

iii.	Local revenue shortfall	Kshs. 97,177,319
iv.	Universal Heal Care (conditional grant) not received	Kshs. 17,736,923
v.	Kenya Devolution Support Programme (grant) not received	Kshs. 28,555,102
vi.	DANIDA (conditional grant) not received	Kshs. 7,932,368
vii.	Recurrent expenditure paid using development funds	Kshs. 31,162,621
viii.	Leasing of medical equipment (conditional grant) not received	Kshs. 95,744,681.

Mr. Speaker Sir, to finance this deficit and ensure a balanced budget, the County Executive proposed to reverse development projects in areas including; 2017/18 Executive projects worth Kshs. 471,445,605; Ward projects worth Kshs. 108,000,000; and rolled over projects worth Kshs. 95,744,681. In making the above reversals, the County Treasury indicated that all proposed recurrent expenditure for the Executive departments shall be negatively affected except for the County Assembly and department of County Executive given that the two departments have got their respective ceilings determined by the Commission of Revenue Allocation.

Mr. Speaker, Sir, in the course of the Committee's consideration of, and deliberations with the Executive on the Siaya County Supplementary Budget Estimates, 2017/2018, the following observations were made:-

1. Mr. Speaker, Sir, six months to the end of 2017/18 financial year, there is little or no evidence of the implementation of the prioritized development programmes across the sectors of the County Government. Furthermore, a great extent of the projects for the FY 2016/17 may not have been started or done to completion. This indicates the inefficiency in the project implementation system within the County. In essence, this has delayed the intended benefits of these projects to the residents of this County.
2. Mr. Speaker, Sir, the purpose of supplementary budget shall be for the unforeseen, in circumstances, where no budget provision was made; or unavoidable, in circumstances where there is an existing budgetary provision, which, however, is inadequate. Mr. Speaker, the supplementary budget presented to the County Assembly entails new programmes proposed for funding at the expense of approved programmes. Some of the new programmes introduced by sectors include projects which may not have been unforeseen at the time of the preparation of the original budget estimates for FY 2017/18 or may be avoidable at this time. Mr. Speaker, trading of sector priority programmes for funding ends during preparation of the County Fiscal Strategy Paper approved by the County Assembly in February of every

year. Introduction of these new programmes therefore amount to unnecessarily frustrating the originally approved programmes in the opinion of the Committee.

3. Mr. Speaker, Sir, the County Government, in its revenue projections, expects to collect Kshs. 10,125,000 out of liquor licensing in this financial year 2017/2018. This is despite the fact that to date, the Liquor Licensing Bill has not been assented for implementation.
4. Mr. Speaker, Sir, other than the compensation to employees, another important segment of the recurrent expenditure is the operations and maintenance (O&M). This is because, in most cases, the O&M facilitates the implementation of development projects and provision of other services within the County. Reduction of this sub-vote of the recurrent expenditure must therefore have an effect in the provision of services. At this time when the people of Siaya majorly look upon the devolution of resources to avail essentials to them, there is a reduction in the recurrent expenditure of Kshs. 253,397,756 which may adversely affect the provision of services by the affected departments e.g. Health Sector.

It is difficult to establish whether Section 135(4) of the PFM has been complied with because with law and referendum not accompanied disclosure of that expenditure that has been undertaken outside the projections in the budget. In some occasions, variations in the department as printed have gone beyond 10% which is provided for by the PFM Act. The CECM Finance informed the Members of the committee that in changing projects, sometimes the MCAs putting projects that are larger than the allocations disclosed to finance them.

This led to overpayment of projects within some wards amounting to a total of Kshs. 74million and an extract is attached, but the Committee was of the view, that incorporating the overpaid projects on the supplementary budget, there should be verification as to whether those projects have been executed properly.

Recommendations

Mr. Speaker, allow me to raise the recommendations of the Committee. The Committee recommends that the County Government should ensure that projects are implemented within the estimated time, preferably within the Financial Year.

That the Fuel Levy Fund, which funds roads, should be extended but there should be disclosure to all the Assembly Members so that the Assembly can verify whether there is equitable distribution of that money, of the fuel levy fund, and at worst, after they are executed, the names of the roads, where the fuel levy fund is being extended, or has been extended, should be brought to this assembly for information.

This Committee seeks to encourage the Executive to ensure that projects are funded within the budget commissions and spending outside the budget must be in exceptional circumstances.

In the printed estimates, each ward is disclosed to have been awarded Kshs 27.5 million. Due to circumstances presented before the Committee, this Committee recommends that each ward, does utilize Kshs. 23.9million as wards specific projects but not more.

This committee urges all sectorial Committees to be proactive and where necessary demand in line with the provisions of the law, the quarterly reports for their deliberations and laying before the house to ensure that projects are being implemented within time.

The County Assembly allocated Kshs 100million as part of the personal emoluments. The County Assembly had proposed to reallocate this money into development in the supplementary budget; however given that it is not legally allowed to re-allocate funds initially allocated for PE into development within the financial year, this Committee recommends that this money be retained at the PAC and the PE for the County Assembly.

Moving forward, this Committee recommends that the farced things against the projects should be informed by expert or technical input.

Having considered the proposals as made by the County Government, incorporating the views of Siaya residents, this Committee recommends that this Assembly approves the proposed recurrent expenditure together with the amendments into development expenditure, as contained in Annex 2.

As we assemble here today, to approve this report, we should consequently give effect to the approval of the County Supplementary Budget estimates FY17/18. There are some wards which are yet to forward the development project proposals as resolved during the Committee engagement with the MCAs representing the respective wards. For this County Assembly not to lock out the affected wards, this Committee therefore recommends that the floor adopts this report amendment .

This Committee now requests this Assembly to adopt this supplementary budget estimate of FY 17/18 and further resolves that the proposed recommendations attached to this Committee Report be adopted. I would request Hon. Ochola to second.

Hon .Ochola: Mr. Speaker, Sir, I stand to second.

(Question proposed)

(Question put and agreed to)

Hon Speaker: Next Order!

PROCEDURAL MOTION

CAPITATION PERIOD FOR THE APPROPRIATION BILL, 2017

Hon. Madialo: Mr. Speaker, I stand to move the Motion:

THAT Pursuant to the allocations of the Standing Order No. 117, this House resolves to reduce the capitation period for the Siaya County Appropriation 2017, Siaya County Assembly Bill no. 19, 2017, from 7 days to 2 days. I will request Hon. Nick Ochola to support the Motion.

Friday, 22nd December, 2017 COUNTY ASSEMBLY OF SIAYA DEBATES

Hon. Ochola: Mr. Speaker Sir I stand to support the Motion.

(Question Proposed)
(Question put and agreed to.)

Hon. Speaker: Next Order!

The Siaya County Supplementary Appropriation Bill 2017, 2nd reading

Hon. Ochola: Mr. Speaker, sir, I wish to lay a Motion that the Siaya County Supplementary Appropriation Bill 2017 of the County Assembly be Bill No.19 2017 be read a second time.

Hon. Speaker: Somebody to second? ---

(Question proposed)
(Question put and agreed to)

COMMITTEE OF THE WHOLE HOUSE

*[The Hon. Speaker
Hon. Okode left the Chair]*

IN THE COMMITTEE

*[The Temporary Chairman
Hon. Madialo took the Chair]*

SIAYA COUNTY SUPPLEMENTARY APPROPRIATIONS BILL, 2017

The Temporary Chairman: Hon. Members, this is the Sitting of the Committee of the Whole House.

(Clause 2 – 3 agreed to)

(Schedule agreed to)

(Title agreed to)

(Clause 1 agreed to)

Hon. Ochola: Mr. Chairman, I beg to move that the Committee do report to this House its considerations for the Siaya Supplementary Appropriations Bill, 2017 and its approval thereof with amendments.

(Question put and agreed to)

(The House resumed)

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

Hon. Speaker: Just for procedural requirements, I discovered the Bill, 2nd reading was not read out. I direct the Clerks to read the Bill afresh then we proceed.

(Bill read the Second Time)

REPORT AND THIRD READING

SIAYA COUNTY SUPPLEMENTARY APPROPRIATIONS BILL, 2017

The Temporary Chairman: Mr. Speaker, Sir, I beg to report that the Committee of the Whole House has considered the Siaya County Supplementary Appropriations Bill, 2017 and approved the same with amendments.

Hon. Ochola: Mr. Speaker, Sir, I beg to move in line with the report, that the House do agree with the Committee in the said report.

(Question proposed)

(Question put and agreed to)

Hon. Ochola: Mr. Speaker, Sir, I beg to move that the Siaya County Supplementary Appropriations Bill, 2017 be now read a third time.

(Question proposed)

(Question put and agreed to)

(The Bill was accordingly read the Third Time and passed)

MOTION ADJOURNMENT

Hon. Speaker: Hon. Members, will we be upstanding for adjournment!

(Hon. Members on their feet)

Hon. Speaker: Hon. Members, having disposed of the Business of the day and there being no other Business, this House adjourns until dictated by the Calendar or such a time that you will be informed.

The House rose at 10.05 a.m.