

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 16th May, 2007

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

Annual Report and Accounts of Kenya Utalii College for the year ended 30th June, 2006 and the certificate thereon by the Controller and Auditor-General

*(By the Assistant Minister for
Co-operative Development and
Marketing (Mr. Mwenje) on
behalf of the Minister
for Tourism and Wildlife)*

Annual Report and Accounts of the Pest Control Products Board for the year ended 30th June, 2006 and the certificate thereon by the Controller and Auditor-General

Annual Report and Accounts of Kenya Agricultural Research Institute for the year ended 30th June, 2006 and the certificate thereon by the Controller and Auditor-General

Annual Report and Accounts of South Nyanza Sugar Company Limited for the year ended 30th June, 2005 and the certificate thereon by the Controller and Auditor-General

Annual Report and Accounts of the Coffee Research Foundation for the year ended 30th June, 2001 and the certificate thereon by the Controller and Auditor-General

Annual Report and Accounts of the Coffee Research Foundation for the year ended 30th June, 2002 and the certificate thereon by the Controller and Auditor-General

Annual Report and Accounts of the Coffee Research Foundation for the year ended 30th June, 2003 and the certificate thereon by the Controller and Auditor-General

*(By the Assistant Minister for Co-operative Development and Marketing (Mr. Mwenje) on
behalf of the Minister for Agriculture)*

Annual Report and Accounts of the Ewaso Nyiro South Development Authority for the year ended 30th June, 2006 and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Co-operative
Development and Marketing (Mr. Mwenje)
on behalf of the Minister for Regional Development Authorities)*

Capt. Nakitare: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to table Papers that he has not circulated? This morning, he came and tabled Papers for Utalii College and the Chair demanded production of those Papers. He has done the same thing. Where are those Papers? Is he in order to mislead this House?

An hon. Member: He has tabled air!

Mr. Speaker: We do, in fact, have all the Papers and they are circulated to all [Mr. Speaker]

Members. It does not help to carry all those loads. Sometimes, the Minister may come and formally table, may be, 20 reports, and it can be difficult to physically carry them. But I can confirm to this House that they are already in the possession of the Clerk of the National Assembly, and they have been circulated to hon. Members. Some of them are on the Table here.

Mr. G.G. Kariuki: Mr. Speaker, Sir, I beg to move that---

Mr. Speaker: To move or to give notice?

Mr. G.G. Kariuki: Mr. Speaker, Sir, I think I was in a fixation.

Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, in accordance with Standing Order No.101A this House orders that the Squatters Settlement Bill be referred to the Departmental Committee on Agriculture, Lands and Natural Resources.

Mr. Speaker: Mr. G.G. Kariuki, I am sorry; you are jumping the gun. We are not there yet. So, please, hold on.

QUESTIONS BY PRIVATE NOTICE

DISCONNECTION OF WATER/ELECTRICITY SUPPLY TO RIFT VALLEY PROVINCIAL HOSPITAL STAFF QUARTERS

Mr. Mirugi: Mr. Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that water and electricity for the Rift Valley Provincial General Hospital staff quarters was disconnected on 25th April, 2007?

(b) Could the Minister ensure that these facilities are re-connected to ease the suffering of employees of the hospital?

(c) What measures is the Minister taking to stop the recurrence of the problem?

The Assistant Minister for Health (Dr. Kibunguchy): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware that water and electricity supply for the Rift Valley Provincial General Hospital staff quarters was disconnected on 25th April, 2007.

(b) The hospital management has been instructed to re-connect the water and electricity supply immediately.

(c) As stated in (b) above, the hospital administration has taken the initiative of having the supply of water and electricity restored at the staff quarters on separate meters from the hospital account. The members of staff occupying the quarters will be responsible for the bill, either individually or collectively. Currently, all other members of staff pay for water and electricity that they consume, either in their own homes or in their private rented houses.

Mr. Mirugi: Mr. Speaker, Sir, I want to appreciate the answer by the Assistant Minister. I would like him to clarify one point: These are staff who work for the Rift Valley Provincial General Hospital. Before the Ministry embarks on having these individual meters put in the staff quarters, it should ensure that the water and electricity bills are taken care of. It has been a

continuing trend for the last few months where the electricity and water supply is usually disconnected because of non-payment of bills by the hospital management. Is the Ministry doing anything to ensure that these bills are paid to avoid these kinds of problems?

Dr. Kibunguchy: Mr. Speaker, Sir, the position on the ground is that water to the hospital and the quarters was coming through one meter. The bill became too high for the hospital to meet. We are now separating the meters. The hospital meter is different from the meters that are going to the staff quarters. Therefore, we can guarantee and assure the House and the country that this issue should come to an end.

Mr. Waithaka: Mr. Speaker, Sir, we appreciate the initiative taken by that management because it sounds noble. Is the Ministry doing this for that particular hospital or in all the Government institutions?

Is the Government installing the meters with the intention of disconnecting them later so as to connect the individual meters? Is this being done in other Government institutions like offices in your Ministry?

Dr. Kibunguchy: Mr. Speaker, Sir, I can only talk about hospitals. I cannot talk about the other departments of the Government. We are separating meters in hospitals that have quarters. We are separating the electricity and water meters going to the hospital from that going to the staff quarters.

Mr. Maore: Mr. Speaker, Sir, it is not just the case in this hospital. It is unfair to become Santa Claus to the staff of the hospital when they should be paying their own water and electricity bills. What measures will the Assistant Minister institute to make sure that there are no interruptions of this nature?

Dr. Kibunguchy: Mr. Speaker, Sir, I think this hospital brought the issue to the surface. I would like to assure hon. Members that this interruption will not occur again. I want to assure the hon. Members once more that the process of separation of meters will not interrupt the supply of electricity and water to the staff quarters and the hospital.

Mr. Mirugi: Mr. Speaker, Sir, could the Assistant Minister undertake to increase the allowances paid to the staff members because they have not had any salary increments for years? If the staff are going to start paying water and electricity bills, could this be reflected in the allowances that they get paid monthly because this is an additional cost to staff members who are already constrained by the low salaries that they get from this Government?

Dr. Kibunguchy: Mr. Speaker, Sir, you will appreciate that, that is a totally different Question from the one I am answering now. I cannot say right now that we will increase the allowances for the health workers. It is something that is being reviewed from time to time. I can assure the House that our health workers are very well paid right now as we speak. In fact, we are having so many health workers moving from the private sector to the Government.

ARREST OF PEOPLE IN GARISSA FOR
SELLING KENYAN ID CARDS

Mr. M.Y. Haji: Mr. Speaker, Sir, I beg to ask the Minister of State for Administration and National Security the following Question by Private Notice.

(a) Could the Minister confirm that two people were arrested in Garissa in December, 2006 when selling 37 identity cards belonging to residents of Ijara District?

(b) Have these suspects been arraigned in court, and if not, why have they not been charged?

The Assistant Minister, Office of the President (Mr. Munya): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that two people were arrested in Garissa in December, 2006 while selling 37 identity cards belonging to residents of Ijara District.

(b) I am, however, aware of three civil servants who were arrested during the month of November, 2006 on suspicion of having stolen fingerprint processing material which was found in their houses following a tip-off from members of the public. The suspects have been arraigned at Garissa Law Courts and charged with the offence of stealing by persons employed in Public Service.

The case is proceeding with nine witnesses having testified and four remaining. The dates for the next hearings will be on 20th and 21st June, 2007.

Mr. M.Y. Haji: Mr. Speaker, Sir, this is a most unsatisfactory answer because it was reported in the media and I have a letter from the Provincial Commissioner which is a reply to my letter. The letter states that these people were arrested with 37 identity cards. I am surprised that the Assistant Minister is now telling us a different story. I am not asking a Question about Garissa. I am asking about Ijara. The Assistant Minister has not mentioned anything about Ijara!

Mr. Speaker: Have you got the letters here?

Mr. M.Y. Haji: Yes, Mr. Speaker, Sir.

Mr. Speaker: Can I have a look at them?

*(Mr. M.Y. Haji laid the documents
on the Table)*

Mr. Munya: Mr. Speaker, Sir, in order to make it more clear for the hon. Member, the persons who were arrested are Mr. Sylvanus Barasa Ouma who was the Registrar of Persons at Ijara District. The other ones are Mr. Justus Peter Ochieng, who was a clerical officer at the office of the Registrar of Persons, Ijara District and Mr. Diar Bishar Mohammed, who was a clerical officer at the office of the Registrar of Persons, Ijara District.

Mr. Speaker, Sir, the materials they were arrested with are as follows: 100 pieces of 136 A Forms, 100 pieces of 136 P Forms, 150 pieces of 11 Forms, one roller, one slab, two fingerprint ink tubes and 36 blank Kenyan national identity cards. All the items are valued at Kshs100,000.

Mr. Ojaamong: Mr. Speaker, Sir, the Assistant Minister will agree that people are selling identity cards. It is now a booming business in Teso for instance. The public and I have reported the matter to the Provincial Administration. There are people selling Kenyan ID cards to Ugandans, but the Provincial Administration has not taken any steps to curb this practice. What steps will the Assistant Minister take to ensure that Provincial Administration arrests these people who are selling Kenyan ID cards to foreigners at only Kshs200?

Mr. Munya: Mr. Speaker, Sir, I would like to warn members of the public that selling ID cards is a crime. Once the law enforcement officers catch up with them, they will end up in jail. It appears that Mr. Ojaamong has some useful information that can help us arrest those people. So, if he can get in touch with me to give me the information, we will be in a hurry to get hold of those people selling ID cards in his constituency.

Mr. M.Y. Haji: Mr. Speaker, Sir, I think we are now on the same wavelength because the Assistant Minister has admitted that these people were about to sell 36 ID cards.

Mr. Speaker, Sir, I would like this Question to be deferred because I want to produce a list of 2,000 people from my district who have applied for ID cards since 2002, and up to today they do not have the IDs. Now that the Assistant Minister has admitted that it is the same Government officers who are selling the ID cards, could I be given an opportunity to produce this list so that he can investigate further?

Mr. Munya: Mr. Speaker, Sir, I have answered the Question as asked by Mr. M.Y. Haji. If

he wants to give some other information to the House, he is free to do so. But I do not see any reason why this Question should be deferred when all the information he has asked for in the Question has been given to him.

Mr. Speaker: What I would advise you Mr. M.Y. Haji, is to direct that Question to the Ministry of State for Registration of Persons who would be in a better position to handle it. I suppose this is a matter that is happening nationwide.

REPAIR OF KISUMU AIRPORT RUNWAY

Mr. Bett: Mr. Speaker, Sir, I beg to ask the Minister for Transport the following Question by Private Notice.

What urgent measures is the Minister taking to repair the runway at Kisumu Airport whose pot-holed surface is posing grave danger to aircraft and passengers using it?

The Minister for Transport (Mr. Mwakwere): Mr. Speaker, Sir, I beg to reply.

(a) The Kisumu Airport Runway was constructed in 1976 but due to ageing, poor maintenance and poor drainage of the facility, the pavements have deteriorated and require frequent repairs. Following the repairs which were undertaken in November and December, 2006 the runway and associated facilities are now inspected daily. Any critical failures detected are immediately attended to by a maintenance team from the Kenya Airports Authority. Presently the runway has no potholes.

May I also add that the Government has set aside funds for its modernization by way of total reconstruction of the runway; provision of a new terminal building, a control tower and installation of modern navigational aids. This will enable it cope with larger aircraft and increased passenger and cargo traffic. The procurement process has begun and it is expected that the works will commence between August and September, 2007.

Mr. Bett: Mr. Speaker, Sir, I would like to thank Mr. Mwakwere for that answer. I am sorry that the Minister may not be aware of what is going on at that airport. I normally use that airport once a week and it is terrifying landing at such an airport. It reminds me of what happened to our people in Douala. I fear that the same thing might happen at Kisumu Airport if we are not very careful. That aside, the airport was closed in November, for two weeks, and we were told that repairs were being undertaken. I would like to know how much money was put into that repair work since the airport today is in an even worse state than it was before the repairs were done in November last year.

Mr. Mwakwere: Mr. Speaker, Sir, presently there are no potholes on the runway. The Kenya Airports Authority awarded a Kshs17 million tender for the repair of the airport pavements in November, 2006. The works were completed in December, 2006.

Mr. Ojode: Mr. Speaker, Sir, the Minister is misleading this House! I normally use that airport every week. We have potholes on the runway as we speak. Could the Minister tell this House how much money has been set aside for the total reconstruction of this airport?

Mr. Mwakwere: Mr. Speaker, Sir, if there are any potholes that have surfaced, probably today, then I can assure you that, that will be attended to tomorrow or immediately. However, on the second part of his question which has nothing to do with the repairs of the airport, but reconstruction, I would like to inform the House that the World Bank-funded Northern Corridor Improvement Project will involve the complete reconstruction of the pavement. In addition, the runway is to be widened and extended from 2,080 metres to 3,200 metres. A larger terminal building will be built to accommodate international flights. This will be carried out at an estimated cost of Kshs2.6 billion.

Capt. Nakitare: Mr. Speaker, Sir, the Assistant Minister's answer is very discouraging,

particularly when it comes to aviation. Aviation is not motor racing. I am discouraged by that answer! Kisumu Airport is a Class I airport. It is not a Class III airport. We should not be talking about potholes, especially when we think about the speed at which an aircraft takes off. What guarantee is the Government giving us that the pilot in the cockpit and the passengers are safe?

Mr. Mwakwere: Mr. Speaker, Sir, I would like to assure Capt. Nakitare that---

Hon. Members: Pilot! Pilot!

Mr. Mwakwere: I know he is a pilot by profession. But I do not know the last time when he flew to Kisumu!

(Laughter)

But I would like to assure him that the runaway is safe. That is why it is being used by several aircraft.

Mr. Sungu: Mr. Speaker, Sir, I travel to Kisumu City every weekend. On Monday evening, I was there. But there are only four flights, morning and evening, going to Kisumu City. What worries me, apart from the very obvious poor workmanship that cost Kshs17 million, is that the runway surface is not safe! What is delaying the total construction of the airport, which is being funded by the World Bank?

I am talking from a point of knowledge because I have attended countless meetings to discuss that matter. We know that Jomo Kenyatta International Airport (JKIA) is being reconstructed ahead of Kisumu Airport, which was ahead in the programme. Wajir and Isiolo airstrips are also being upgraded and Kisumu Airport is still being left behind!

Mr. Mwakwere: Mr. Speaker, Sir, I am not sure of Mr. Sungu's source of information. But I would like to re-confirm that Kisumu Airport will be re-constructed at an estimated cost of Kshs2.6 billion.

Hon. Members: When? When?

Mr. Sungu: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it?

Mr. Sungu: Mr. Speaker, Sir, the Minister did not answer my question. I said that I have sat in countless meetings with officials of the Kenya Airports Authority (KAA) regarding that matter. These days, there is something called transparency and accountability. We know that, that facility was supposed to have been reconstructed from last year. What has held it all that time so that other airports and airstrips like Wajir are being reconstructed, when Kisumu Airport is still left behind?

Mr. Speaker: I think we already know the date. Do we not? The Minister has already said it is September. So, why flog a dead horse?

Last question, Mr. Bett!

Mr. Bett: Mr. Speaker, Sir, I now want to assume that there are no potholes on the runway at Kisumu Airport. Is the Minister satisfied that using murrum to fill those potholes is safe?

(Laughter)

Mr. Mwakwere: Mr. Speaker, Sir, Mr. Bett is a former ambassador. I know he trusts me very much as a former colleague in that line. I would like to assure him that we are not using murrum---

Hon. Members: Its murrum!

Mr. Speaker: Order, hon. Members! I really do not know the coded message between the

two ambassadors. Is the Minister and the hon. Member trying to talk diplomatic language? Is the runway filled with murram or not? Let us forget about diplomacy!

Mr. Mwakwere: Mr. Speaker, Sir, the potholes are not filled with murram. The job was done professionally at a total cost of Kshs17 million.

Mr. Speaker: Next Question, Mr. Korir!

ORAL ANSWERS TO QUESTIONS

Question No.091

DELAY IN IMPLEMENTATION OF OPEC FUNDING PROGRAMME FOR SCHOOLS

Mr. Korir asked the Minister for Education:-

- (a) whether he is aware that Koibatek District Education Board (DEB), on the Ministry's request, recommended Mutaran, Esageri and Waseges primary schools, among others, for funding by OPEC; and,
- (b) why the implementation of that programme has been delayed.

The Assistant Minister for Education (Mrs. Mugo): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the Koibatek District Education Board identified the under-listed schools for GOK/OPEC Fund project assistance: Waseges Primary School, AIC Esageri Primary School, Kiplombe Mixed Day Secondary School, Koibatek Primary School and Mutaran Primary School.

(b) The reason for the delay in the implementation of Phase III of the programme is the delay by the OPEC Fund International to reimburse the money spent by the Government of Kenya in Phases I and II.

In the project agreement document, the Government of Kenya agreed to disburse funds to schools for their civil works and get reimbursement from OPEC Fund International.

I would like to inform the House that my Ministry has now received the funds. We are in the process of disbursing the money to the schools in Phase III of the programme. That is being done all over the country and not just the district.

Mr. Korir: Mr. Speaker, Sir, I would like to thank the Assistant Minister for that precise answer. But could she give us the specific dates when that money will reach the schools?

Mrs. Mugo: Mr. Speaker, Sir, the money is being disbursed countrywide. So, it is hard for me to say specifically when each school or district will receive its money. All the District Education Officers (DEOs) have received co-ordinating money to supervise the implementation. So, the work is expected to go well and on time.

Mr. Manoti: Mr. Speaker, Sir, I am grateful to hear that the Ministry has received the money and, soon, it will disburse it to various schools. Who is going to supervise the spending of that money since the Ministry of Education does not have experts in the construction industry?

Mrs. Mugo: Mr. Speaker, Sir, I would like to inform the hon. Member that, that project has been going on. This, indeed, is the third year. The project is going on well because we work in conjunction with the line Ministry - the Ministry of Roads and Public Works. But it is also the responsibility of the local leaders to see that the money is properly spent.

Mr. Muturi: Mr. Speaker, Sir, it is gratifying to hear from the Assistant Minister that OPEC has released the funds. Could she tell us what reasons caused the delay? That has affected very many institutions which had applied for funding elsewhere. We have been told that there could have been problems with governance. Is that the case? If so, how will we ensure that the

implementation is not hampered by similar concerns by OPEC?

Mrs. Mugo: Mr. Speaker, Sir, it was not governance matters. Sometimes, our development partners delay in disbursing the money. I do not think it has taken extremely long to disburse that money. It is only that there has been a short break. I would like to assure this House that the supervision of those funds is done regularly, even by the Ministry and the auditors. We have absolutely no problem with the donor as far as accounting processes are concerned.

Mr. Speaker: Last question, Mr. Korir!

Mr. Korir: Mr. Speaker, Sir, could I give this opportunity to Mr. Owino?

Mr. Speaker: Sure! You are very generous!

Mr. Owino: Mr. Speaker, Sir, under what circumstances do schools qualify to benefit from that programme?

Mrs. Mugo: Mr. Speaker, Sir, schools that benefit from this programme are recommended by the District Education Board (DEB) in each district. It is the Board members who know the conditions of the schools. Hon. Members are encouraged to attend the Board meetings.

Mr. Speaker: Very well. Next Question by the hon. Member for Muhoroni Constituency!

Question No.073

REPAIR OF ROADS E248/R79

Prof. Olweny asked the Minister for Roads and Public Works:-

(a) what steps he is taking to repair Road E248/R79 which is dilapidated, especially between Kasese and Ombeyi, Sang'ayo and Masogo and Amilo Primary School and Kibigori junction; and,

(b) what further measures he is taking to rehabilitate Otho-Wang'ayo Road R79, particularly between Ogilo and Magare junction.

The Assistant Minister for Roads and Public Works (Eng. Toro): Mr. Speaker, Sir, I beg to reply.

(a) Funds amounting to Kshs4,138,097, under the Roads 2000 Programme, have been sent to Nyando District for the improvement of the first five kilometres from Ombeyi towards Chiga. Reshaping of the section used labour-intensive methods and installation of culvert has been completed. A further amount of Kshs416,000 has been issued under the constituency budget for Road Maintenance Levy Fund for the maintenance of the road section not covered by the Roads 2000 Programme.

Additional funds amounting to Kshs2,196,000 are to be issued before the end of this financial year for spot-gravelling of dilapidated sections between Kasese and Ombeyi, Sang'ayo and Masogo and Amilo Primary School and Kibigori junction.

(b) A sum of Kshs1,340,000 has been issued under the constituency budget of the Road Maintenance Levy Fund for grading, installation of concrete-pipe culverts and spot-gravelling of Road R79. The above work has commenced and the grading of the stretch between Ogilo and Magare junction has been done.

Prof. Olweny: Mr. Speaker, Sir, I thank the Assistant Minister for the answer he has given. However, the road being constructed from Ombeyi to Chiga is very narrow. It also has deep trenches on either side. It is, therefore, difficult to come out of the road because of the trenches. There are no culverts on the road. The narrowness also makes it difficult for any two vehicles to use the road at the same time. What is he doing to ensure that proper construction is done on this road?

Eng. Toro: Mr. Speaker, Sir, I think the hon. Member should have clarified whether the

road was wider before the improvement on it began or the same width has been maintained. There is no way we can improve the road under Roads 2000 Programme to make it impossible for two vehicles to pass one another or overtake each other. I find that very hard to believe.

Mr. Sungu: Mr. Speaker, Sir, it is unfortunate that this road originates from the heart of my constituency; Chiga, all the way to Miwani and beyond. This is a very important agricultural road. It is, however, subject to flooding because this is a low-lying area. This road was initially built by the Sugar Belt Corporative Union and was very good and wide enough. I am wondering why the construction being done now is of a lower standard.

Mr. Speaker, Sir, I am also wondering why----

Mr. Speaker: Order, Mr. Sungu! You are now taking too much time!

Mr. Sungu: Mr. Speaker, Sir, what would the Assistant Minister do about the other part of the road that is in my constituency? It is only one kilometre long.

Eng. Toro: Mr. Speaker, Sir, if that road was better before, I do not see why it was prioritised for improvement. I also do not understand how the improvement now makes it worse than it was before. I still maintain that the improvement, as prioritised by the DRC, is to an extent that the road will be better than it was before.

Mr. Speaker, Sir, I do not know the section of one kilometre the hon. Member is talking about. I talked about the sections we are improving. So, he should specifically tell me which section is in his constituency.

Mr. Speaker: Last question, Prof. Olweny!

Prof. Olweny: Mr. Speaker, Sir, the Assistant Minister says there are culverts to be constructed on the road, that is okay. However, I still have problems with the quality of work being done. When culverts are constructed on this road, they look like small sharp hills. This means proper buff sealing is not done for culverts to make them smooth and easy to use. What effort is he making to ensure that proper buff sealing is done on the culverts?

Eng. Toro: Mr. Speaker, Sir, as I said in my written answer, work has started and the road is not yet complete. We can only assess the workmanship when the road is finally complete. Since work is still ongoing, I am sure the problem will be rectified.

Mr. Speaker: Next Question!

Question No.085

IMPLEMENTATION OF ENHANCED
SALARY PACKAGE FOR CHIEFS

Mr. Ojode asked the Minister of State for Administration and National Security:-

(a) when he will implement the enhanced salary package for chiefs and assistant chiefs promised in November, 2005; and,

(b) whether he could give a breakdown of the proposed new pay package.

The Assistant Minister, Office of the President (Mr. Kingi): Mr. Speaker, Sir, I beg to reply.

(a) The Ministry has already implemented the Scheme of Service for chiefs and assistant chiefs as promised to them in November, 2005.

(b) The new salaries and salary scales are contained in the Scheme of Service are as follows:

KShs.

Assistant Chief II	-	Job Group F	7,926
Assistant Chief I	-	Job Group G	9,951
Senior Assistant Chief	-	Job Group H	11,622
Chief II	-	Job Group H	11,622
Chief I	-	Job Group J	13,035
Senior Chief II	-	Job Group K	19,455
Senior Chief I	-	Job Group L	22,023
Principal Chief	-	Job Group M	27,486

Mr. Ojode: Mr. Speaker, Sir, there has never been any increment on the chiefs' and assistant chiefs' pay packages. What the Assistant Minister purports as an increment is what they have been getting for the last five years.

During the referendum, the Minister promised to increase---

Mr. Speaker: Order, Mr. Ojode! Is it true that what the Assistant Minister has read out is what the chiefs and assistant chiefs have been getting for the last five years?

Mr. Kingi: Mr. Speaker, Sir, that is not true. What I have read is the true position of the matter.

Mr. Ojode: Mr. Speaker, Sir---

Mr. Speaker: Order, Mr. Ojode! You are fond of taking too many liberties with this House. That is not permissible!

Mr. Ojode: Mr. Speaker, Sir---

Mr. Speaker: Will you sit down?

Who is that hon. Member over there? Mr. Ayacko-Ochilo!

*(Messrs. Ochilo-Ayacko and Ahenda
stood up in their places)*

Mr. Speaker: Order! What is happening with these hon. Members? I understand that the shorter hon. Member is called Ahenda and the taller one is Ayacko. I recognised the taller hon. Member, who is also known as Ayacko.

Mr. Ochilo-Ayacko: Thank you, Mr. Speaker, Sir, for that distinction. Alongside the beautiful package the chiefs were promised, assistant chiefs were promised five policemen and the chiefs were promised 10 policemen. I am yet to see a chief in my village with that level of security. What is happening?

Mr. Kingi: Mr. Speaker, Sir, it is true that we promised that we would send police officers to support the chiefs in matters of enhancing security. However, we also said that it would be up to the leaders in those areas to get appropriate accommodation for the officers. Once they are ready, they should tell us and we will post the officers to those areas. Many areas have done so, and we have posted the officers as required.

Mr. Karaba: Mr. Speaker, Sir, given that the salaries given by the Minister are true, going by what we have just heard, when will this scheme of service be implemented? We will it be back-dated to November, 2006 when the announcement was made?

Mr. Kingi: Mr. Speaker, Sir, the Scheme of Service was announced in December, 2006. It was back-dated to 1st July, 2006. It has already been implemented.

Mr. Speaker: Last question, Mr. Ojode!

Mr. Ojode: Mr. Speaker, Sir, the question I wanted to ask the Assistant Minister is this: What was increased in their package was just Kshs100 as "an allowance". It is one item known as "an allowance". It is not indicated what kind of allowance it is. The Assistant Minister is also aware that chiefs and assistant chiefs do not even have an insurance cover. Neither do they have a medical cover or any other allowance. Why can the Assistant Minister not introduce the other allowances,

which these public servants are not earning?

Mr. Kingi: Mr. Speaker, Sir, what we promised the chiefs was a comprehensive scheme of service, which we did implement. It did take into account promotion or upgrading of all of them from the grades they were serving on to the next grades. That means, therefore, that their salaries improved alongside the enhancement of the salaries that we did. Of course, other allowances for chiefs and assistant chiefs are considered together with those of other civil servants serving in the country.

Mr. Speaker: What about on his specific issue, which is that, in effect, you only increased by Kshs100? Is that true or false?

Mr. Kingi: Mr. Speaker, Sir, it is not true.

Maj-Gen. Nkaiserry: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to mislead this country? As we all know, as a country, the Government promised to increase the salaries of chiefs and assistant chiefs. Is he in order to mislead this House, and the country, that their scheme of service has been improved while, in effect, the Government just increased an allowance by Kshs100 per chief? Is it in order?

Mr. Kingi: Mr. Speaker, Sir, I said that we did implement a scheme of service for the chiefs. That scheme of service took into account their promotions and also enhancement of their salaries. If it is so required, I will bring a copy of that scheme of service to this House, so that hon. Members can get from it the specific amounts of money that were increased for each grade.

In fact, I have a copy of the same with me here, which I now table.

*(Mr. Kingi laid the document
on the Table)*

Mr. N. Nyagah: On a point of order, Mr. Speaker, Sir. Is it in order for our good Assistant Minister to continue to refuse to tell the hon. Ojode that before this Government came into power, there was no scheme of service for chiefs, and that the allowances for chiefs increased from Kshs300 to Kshs3,000?

(Applause)

Mr. Speaker: Order! Order, hon. Members! You are all out of order! If the Government Chief Whip wanted to participate in debate as a Backbencher, he should have done so from the Back Benches. So, I take it that everything he said has been said in a disorderly fashion.

Next Question, Mr. Kimeto!

Question No.211

COMPENSATION FOR PEOPLE
INJURED BY STRAY LEOPARD

Mr. Kimeto asked the Minister for Tourism and Wildlife:-

(a) whether he is aware that a stray leopard attacked and seriously injured the following civilians and police officers in Oldebesi Sub-Location of Kapkelei Location in Sotik Constituency:-

- (i) Edward Langat;
- (ii) Joel Seroy;
- (iii) Peter Cheruiyot;
- (iv) Laboso Towett Belyon;

- (v) Julius Kosgey;
 - (vi) John Mibei Kiperere;
 - (vii) Cpl. Alfred Sieberi;
 - (viii) Sgt. Samuel Towett;
 - (ix) APC Isahia Ruto, and
 - (x) APC Johnson Mbaka; and,
- (b) when these people will be compensated for injuries sustained and hospital bills paid at Tenwek Hospital.

The Minister for Tourism and Wildlife (Mr. Dzoro): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that on 5th March, 2007, a leopard attacked the following people at Chesengem Village, Oldebesi Location, Ndanai Division, who were admitted to Tekwel Mission Hospital for treatment:-

- (i) Sgt. Samuel Towett;
- (ii) APC Jonshon Mbaka;
- (iii) Cpl. Alfred Sieberi;
- (iv) APC Isahia Ruto;
- (v) Joel Seroy;
- (vi) Peter Cheruiyot;
- (vii) Julius Kosgey;
- (viii) John Mibei Kiperere;
- (ix) Laboso Towett Belyon, and
- (x) Edward Langat.

(b) The District Commissioner (DC), Kericho, convened a Wildlife Compensation Committee meeting on 15th May, 2007, and the process of compensation is ongoing. However, according to the current Wildlife Conservation and Management Act, Cap.376, my Ministry has no provision to pay for the medical bills.

Mr. Kimeto: Mr. Speaker, Sir, you have heard the Minister give what he called an answer. The people who were hurt by the leopard were in Bomet, but the matter has been transferred to Kericho District. How come? Why can he not tell us that he is misleading the House, having required the authorities in Kericho District to answer for the authorities in Bomet District? Is the DC, Bomet, for Kericho District? Does the Minister not know that he is responsible for matters in Bomet District? Two,---

(Laughter)

Mr. Speaker: Order! Order!

Mr. Dzoro: Mr. Speaker, Sir, this matter had to be dealt with at that position, because of the Kenya Wildlife Service (KWS) staff who are on the ground. The process will be dealt with, as per our regulations.

Mr. Lesrima: Mr. Speaker, Sir, the Minister, sometime last year, increased the amount of money paid as compensation for loss of life, as a result of attacks by wildlife, from Kshs30,000 to, I believe, Kshs200,000. Could he also consider compensating those people who are injured and those who lose livestock to wildlife, because we are losing a lot of livestock in Samburu West Constituency? Could he also move these leopards to the Nairobi National Park?

Mr. Dzoro: Mr. Speaker, Sir, that is a very good question from my dear friend. But I want to state that I will bring before this hon. House the new Wildlife Policy, and the hon. Members will have a chance to deliberate on quite a number of issues.

Mr. Khamisi: Mr. Speaker, Sir, we have heard so many times about this Wildlife Policy. Could the Minister tell us exactly when he is going to bring it to this House? People are dying!

Mr. Speaker: Mr. Minister, will you bring a policy or Bill?

Mr. Dzoro: Mr. Speaker, Sir, I will bring a Bill. The final stage of it was completed yesterday. It will be brought to the House soon.

An hon. Member: When!

Mr. Lesrima: On a point of order, Mr. Speaker, Sir. The last part of my question was not answered, with regard to capturing those leopards and relocating to them to the Nairobi National Park, before the public takes action.

Mr. Dzoro: Mr. Speaker, Sir, we will take that into consideration with my officers.

Mr. Speaker: Last question, Mr. Kimeto!

Mr. Kimeto: Mr. Speaker, Sir, the Minister says that his Ministry has no money for compensation, yet, whenever a person kills a wild animal, the KWS is compensated by imprisoning that person for seven years. Some of the people I have mentioned here have been permanently maimed and, therefore, they will not assist their children in the future.

Mr. Speaker, Sir, could you save us by instructing this Ministry to give us money to assist these people?

Mr. Speaker: Before the Minister answers, I think it is very clear that, indeed, there is a major problem about wildlife/human conflict. I think the Minister ought to speed up any Bills that he intends to bring to this House, in the interest of the wildlife itself.

Can you, please, proceed?

Mr. Dzoro: Mr. Speaker, Sir, as I said, we are trying our level best. As per yesterday, we had completed all the details about the Bill, because we need, as a Government, to be concerned about the human/wildlife conflict. The Bill will be brought to the House soon.

Mr. Speaker: Very well! I apologise to the House for being very slow. I cannot go beyond Question Time. All the remaining Questions will be listed for tomorrow. That is the end of Question Time!

Question No.262

NON-ISSUANCE OF TITLE DEEDS
TO SHAREHOLDERS BY
INVESTMENT COMPANY

(Question deferred)

Question No.202

SUPPLY OF EXPIRED DRUGS TO
DISPENSARIES

(Question deferred)

Question No.240

AMOUNT OF MONEY COLLECTED FROM
"NGURUMA TENA" PROMOTION

(Question deferred)

Question No.273

SUPPLY OF PIPED WATER

TO MARAGUA TOWNSHIP

(Question deferred)

Mr. Speaker: Mr. Sambu, you had a request to make. Please, proceed!

POINT OF ORDER

DISPARITIES IN CONNECTION
FEES CHARGED BY KPLC

Mr. Sambu: Mr. Speaker, Sir, I want to request the Minister for Energy to give a Ministerial Statement on the charges levied by the Kenya Power and Lighting Company (KPLC) Limited, for connecting customers with electricity. In the rural areas, the KPLC demands Kshs32,000 before it makes a single connection to a house, yet in urban areas it costs less than Kshs5,000. Could the Minister give an explanation for this disparity?

I would also like to know what this project called "*Umeme Pamoja*" is all about. Who are the beneficiaries of this project? But, more important, I would like him to specify why the KPLC charges Kshs32,000 to connect people with electricity, while it charges Kshs5,000 in the urban areas for the same.

Thank you.

(Mr. Sambu laid a document on the Table)

Mr. Speaker: Very well! Is the Minister for Energy in the House? Is hon. Kiunjuri in the House?

An hon. Member: No!

Mr. Speaker: It is all right! He will get the message!
Next Order!

BILLS

First Reading

THE PROCEEDS OF CRIME AND
ANTI-MONEY LAUNDERING BILL

THE MEDIA BILL

THE SQUATTERS SETTLEMENT BILL

*(Orders for First Readings read -
Read the First Time and ordered
to be referred to the
relevant Departmental Committees)*

(Mr. Kiunjuri entered the Chamber)

Mr. Speaker: Mr. Kiunjuri, there was a Ministerial Statement that was sought by the hon. Member of Parliament for Mosop Constituency. I do not know whether you have seen a copy of the document that he tabled. I do not suppose that you are ready for it. Are you? Would you like to respond?

The Assistant Minister for Energy (Mr. Kiunjuri): Mr. Speaker, Sir, I will respond to the request of the hon. Member next week, on Wednesday morning.

Mr. Speaker: Okay! Thank you!

Mr. Osundwa: On a point of order, Mr. Speaker, Sir. These are very, very important Bills that have been referred to the Departmental Committees. But, according to the Standing Orders, the Departmental Committees are supposed to report within seven days, but we hardly see these reports.

Would you order the Committees to give reports on those Bills that have been referred to them because we hardly---

These days, debates start without reading these reports.

COMMUNICATION FROM THE CHAIR

DEPARTMENTAL COMMITTEES ADVISED TO
OBEY STANDING ORDER No.101

Mr. Speaker: Indeed, you are right!

(Loud consultations)

Order, hon. Members! Indeed, you are right. There are a lot of Bills being sent to Departmental Committees and they delay there. In fact, some of the Bills come to this House and go to the Second Reading before the Departmental Committees have made their reports. That is wrong!

(Applause)

This House and the Chair, through the Office of the Clerk, facilitates at all times, the Departmental Committees to operate. It is their duty and onus to perform [**Mr. Speaker**] their duties. Therefore, all Departmental Committees are directed to obey Standing Order No.101.

Failure to do that, I may be compelled to stop them from laying on the Table late reports. Okay? So, let that go straight to every Departmental Committee.

(Applause)

Very well. Thank you!

Next Order!

(First Reading of Bills resumed)

First Reading

THE COMMUNITY AND SOCIAL ENTERPRISES CAPITAL
DEVELOPMENT FUND BILL

*(Order for First Reading read -
Read for the First Time and
ordered to be referred to the
Relevant Departmental Committee)*

MOTIONADOPTION OF FOURTEENTH
PIC REPORT

THAT, this House adopts the Fourteenth Report of the Public Investments Committee on the Accounts of State Corporations Vol.1 and the Treasury Memorandum on the Implementation Status of the Thirteenth Report of the Public Investments Committee on the Accounts of State Corporations Vol. II laid on the Table of the House on Tuesday, 8th May, 2007.

(Mr. Muturi on 15.5.2007)

*(Resumption of Debate interrupted
on 15.5.2007)*

Mr. Speaker: The hon. Muturi, the Chairman of the Committee, was on the Floor moving the Motion. How much time does he have? I am told by the Clerk-at-the Table that he has one minute.

Okay, proceed!

Mr. Muturi: Thank you, Mr.

Speaker, Sir. We did not intend to take the traditional period taken moving. As I began moving this Motion on the adoption of the Fourteenth Report of the Public Investments Committee (PIC) on the accounts of State Corporations yesterday, I did indicate the membership of the Committee and it is important that I point out that the Committee held--- Of course, for the first time, we also began complying with the Standing Orders. We held a total of 55 sittings at which we closely examined the audited accounts and reports from the Controller and Auditor-General on the affairs of 16 State Corporations and Reports thereon.

In the process, the Committee did undertake inspection tours, such as to the National Water Conservation and Pipeline Corporation (NWCPC) at the Coast Province within the area of Shanzu, Changamwe and Nyali wells. These inspection tours were prompted by claims of land grabbing within the facilities of the corporation. The Committee also did make site inspection visits within Kinangop and Naivasha areas while examining the Report of the Controller and Auditor-General in the affairs of the Kenya Roads Board (KRB) with regard to claims that certain roads in those areas which had been shown to have been recarpeted had only been graded. The reports---

The proceedings of such visits are recorded in the minutes of the Committee which are contained in this Report, and annexes to this Report can be found in the Parliament's Library.

The implementation status of the Thirteenth Report is printed separately as a Treasury Memorandum, which will be discussed together with this Report and is attached hereto as Volume II.

In its inquiry into whether or not the affairs of the public investments were managed in accordance with sound business principles and prudent commercial practises, the Committee heard both oral and written evidence, primarily from the chief executives of various State Corporations against the background of audit reservations by the Controller and Auditor-General as well as written representations by other relevant witnesses on a case-by-case basis. The recommendations on the issues raised by the Controller and Auditor-General would be found under appropriate paragraphs of this Report and the records of evidence adduced, documents and notes received by the Committee form the basis of the Committee's observations and recommendations as outlined in the Report, and can be obtained from the HANSARD Reports of the Committee available, again, in the Parliament's Library. Those observations and recommendations, we believe, if taken into

account together and implemented, will, in our view, invariably enhance accountability, effectiveness, transparency, efficiency, prudent management and profitability in State Corporations and the public investment sector as a whole.

Mr. Speaker, Sir, in our observations, the Committee was appalled to observe that several State Corporations continued to operate under financial constraints, most of which are occasioned by mismanagement and imprudent commercial arrangements. In addition, as it had been observed in previous Reports, the Committee noted that some parent Ministries constantly engaged in micro-managing State Corporations under their helm and severally undermined the decisions made by Boards of such Corporations, even where such boards are, indeed, carrying out statutory duties as provided for in the establishing statutes. The Committee was concerned that this tendency dilutes the principles which are underpinned in the establishment of State Corporations as well as the much hyped about performance contracting concepts.

Mr. Speaker, Sir, in this regard, Mr. Speaker, Sir, one case stands out as an example. One chief executive, and it is unfortunate that the concerned Minister is out to---

He has just walked out!

One particular State corporation which has been rated to have performed very well, and whose Board had recommended that its Chief Executive Officer's (CEO's) contract be renewed, was mysteriously short-changed, arm-twisted and to very many people's surprise, the CEO, who had been one of the resource people in those performance contracting exercises, himself was shown the door. This is none other than the Kenya Ports Authority (KPA). The immediate former CEO, one Brown Ondego had been rated as one of the best performing Chief Executives. The Board of Directors of the KPA management recommended that, that CEO should have had his contract renewed. However, as happens usually during times when there is heightened political tension in the country, some people began making claims that the post of the CEO must go to the Coastal region. As a result, that particular CEO was shown the door.

Mr. Speaker Sir, that kind of behaviour by parent Ministries, obviously, stifles performance. Even in as much as we talk about performance contracting because why would you want to put a CEO under a performance contract if you do not intend to honour what he does? Even if he produces, you do not recognise that. Of what use is it engaging people all over; the CEOs, university professors in public universities, in signing performance contracts which you have no intentions of honouring. If it becomes politically expedient so to do, the man or woman will be shown the door without reference to any of the terms under which he or she is contracted. I think, this House should express its displeasure with that kind of behaviour by parent Ministries.

Furthermore, the Committee has continually taken great exception on the slow pace at which the Government has implemented the recommendations of this House arising from previous Reports. In that regard, the Committee abhorred the apparent lacklustre approach employed by the Office of the Attorney-General and that of the Director of Criminal Investigations Department (CID) as well as the police force in general, in the implementation of the recommendations of this House, particularly, where the Committee recommends that further investigations and/or possible prosecution be undertaken. The Offices of the Attorney-General and the CID merely goes to sleep.

Mr. Speaker, Sir, within the Introduction, we have put a number of instances. For instance, with regard to the Kenya National Trading Corporation (KNTC) in their audited accounts for the year 1996/97, it had been noted by the Controller and Auditor-General, irregular transfer of the corporation's land to some people known as M/s Manga Mugwe and Rubshell Company. The recommendation which was adopted by this House was that investigations and possible prosecutions be undertaken. To date, nothing has happened. The Attorney-General has never brought a report that says that they have investigated and found nothing worth pursuing. He just keeps quiet!

[Mr. Speaker left the Chair]

*[The Temporary Deputy Speaker
(Mr. Khamasi) took the Chair]*

Mr. Temporary Deputy Speaker, Sir, with regard to the National Social Security Fund (NSSF), in the accounts for the year 2001/2002, the subject matter raised by the Committee was that there be investigation and prosecution of the directors of a company known as Regent Management Limited, which is an estate agency firm, for engaging in business for which they did not qualify under the relevant law. Again, action was to be taken by the smiling Attorney-General. To date, nothing has happened. I believe he must be still smiling wherever he may be. He was here in the morning.

The Kenya Wildlife Service (KWS) in their accounts for the year 1999/2000, again, this House adopted a Report by this Committee that there be prosecution of officers who abetted illegal allocation of the Corporation's land within Malindi and the area of Kisite/Mpunguti. The Attorney-General was to take action. Again, nothing has happened.

Mr. Temporary Deputy Speaker, Sir, in the accounts of the Teachers Service Commission (TSC) for the year 1999/2000 was reported loss of funds through fraud and outright forgeries perpetrated by officers of the Commission. This House adopted our recommendation that there should be further investigation and prosecution of the culprits, by both the Director of CID and the AG. To date, nothing has happened.

There was the issue of the National Cereals and Produce Board (NCPB) in their accounts of 1998/99 where the House had adopted the recommendation that investigations on money lost through fraud by Messrs. Alfred Kiptanui Keter and a company known as Messrs. Corigrain be undertaken by undertaken by the Director of the CID and the AG. Nothing to date has happened.

On the accounts of the Investments Promotion Centre (IPC), this House adopted a recommendation that investigations on irregular payments to the former CEO, the gentleman called Dr. Joseph arap Ng'ok be undertaken. To date, nothing has happened.

Mr. Temporary Deputy Speaker, Sir, I think there was also a recommendation that a serving member, indeed, a serving Cabinet Minister, who used to be an ex-employee of that institution pays some money that he owed. The only report we have received is not from the Director of CID but is from that hon. Member and Minister now, that he has repaid and is now disputing the amount because he has been repaying through a check-off system. I believe the hon. Member should be encouraged to come forward and make a report. I do not want to disclose the names. Some of them have suddenly become party leaders and it is good that---

On the accounts of the National Hospital Insurance Fund (NHIF) for the year 2000/2001, this House had adopted a recommendation that investigations be undertaken into the escalation of costs on

the construction of Medicare Plaza from the initial cost of Kshs1.487 billion to excess of Kshs5 billion. Again, the Director of CID has never given a report. Further, with the accounts of the same organisation, NHIF, for 2001/2002, this House adopted a recommendation that investigations regarding overnight lending of funds to Euro Bank be undertaken by the Commissioner of Police. Again, no report has been forthcoming.

Indeed, our Report - this particular Report - has been delayed. We made this Report way back in September, 2006. We were delayed, we could not even table the Report because the Treasury; the Ministry of Finance - records will bear me out - did not prepare a Treasury Memorandum on the implementation status of that 13th Report until one moth ago. It is quite clear from this that for a long time now, either the Treasury or somebody in the Government does not take the recommendations of this House seriously. The reason why I have decided to highlight this is because these recommendations have been made in the previous Report. Indeed, we made a

recommendation when we were looking at the accounts of the Local Authorities Provident Fund; we recommended that the AG, in consultation with the Minister for Local Government - I am happy that a former hon. Member of this Committee, who served through these recommendations is now an Assistant Minister in that Ministry, Mr. Muchiri.

We hope that, as I speak now, he will take note and implement what he, himself, took part in recommending that an amendment be effected to the Local Authorities Provident Fund Act to streamline its operations. This is because what has come out over the years is that, that Fund is very poorly administered because of the weaknesses inherent in it. The people who run the Fund are appointees of the Ministry. They really have no connections with people who have retired from various local authorities. A lot of them spend so much of their time trying to look for their pension, and they do not get any sensible responses. We made a recommendation that, that Act be amended. I am, therefore, happy that hon. Muchiri is now serving in that Ministry and he will cause the Attorney-General to stop what he is known for, that is, smiling and effect the appropriate and necessary changes in order to help the pensioners who have served in various local authorities. They are suffering a great deal.

Mr. Temporary Deputy Speaker, Sir, all is not lost with regard to implementation. In our past Report, while looking at the accounts of the Kenya Ports Authority, we had made various recommendations regarding many people and companies. I am happy to note that now, without having to mention all those people involved, at least, the Kenya Anti-Corruption Commission (KACC) has moved with speed to investigate and make a report regarding the affairs surrounding some contracts that had been given to a number of companies, including Mode Architects; Jaggar Consultants, which is associated with a serving hon. Member of Parliament; Multi Consults, the former Chief Executive of KPA, hon. Simeon Mkalla, and a serving Judge, Justice George Dulu, now a Judge of the High Court.

Mr. Temporary Deputy Speaker, Sir, as far as it is relevant to this House, the Report by the KACC, pursuant to our recommendations which were adopted by this House reads, as follows:

"KACC/FI/NQ/55/06: Investigations by KACC established that Jaggar Consultants were appointed through the lead consultant of the project".

This was a project to build several storeys on the existing structure of KPA way back in 1994, but to-date, the headquarters has never seen the extra storeys. The Report states:

"Jaggar Consultants were appointed through the lead consultant of the project and the appointment was approved by the management of KPA. The investigations also established that in 1994, there were no clear procurement guidelines as to the manner in which consultants could be engaged. Further, the KPA rules of procurement had given the Chief Civil Engineer a free hand to make appointments in civil engineering projects".

It was also noted that the matter regarding the payment of the consultancy fee was taken to court in Civil Case No.2931 of 1997 and orders made in favour of the firm, that is, Jaggar Consultants. The file was forwarded to the Attorney-General on 23rd March, 2007, with recommendations that the same be closed in view of the fact that there were no procurement regulations regulating procurement of consultancy services and further that issues relating to the consultancy were addressed by both the High Court and the Court of Appeal. The Attorney-General's advice on the matter is awaited."

Mr. Temporary Deputy Speaker, Sir, I commend the KACC. As you can see, again, action is on the smiling Attorney-General! He has been given the Report and it is his advice which is being awaited. In fact, we had recommended:

"While taking cognisance of the Report by the KACC, the Committee, therefore, recommends that this House asks the Attorney-General to act on the file with a

view to concluding this matter".

That way, the sitting hon. Member, Judge of the High Court, hon. Simeon Mkalla and all others that have been cleared by the investigations could be set free. The earlier recommendations would in effect be countermanded so that nobody lives forever with an accusation or allegation hanging round their necks.

Mr. Temporary Deputy Speaker, Sir, one of the issues that the Committee, much to its chagrin, found is that the financial position of most of the examined corporations continued to be deplorable during the periods 1998 to 2002. At that time, most of those examined corporations were exempted from the provisions of the State Corporations Act, Cap.446 of the Laws of Kenya regarding public audit. Indeed, at that time, most of those firms, if not all were audited by the so-called "internationally-reputable private audit firms". They never raised a finger against any malfeasance in the conduct of affairs of those State corporations.

Mr. Temporary Deputy Speaker, Sir, I am happy to report that since the enactment, although I will be turning to that issue a little later, by this House in 2003 of the Public Audit Act, under Section 39 of that Act, we gave powers to the Controller and Auditor-General of this Republic power to appoint private auditors to audit the affairs of public enterprises. However, the deplorable thing is that those private audit firms have a tendency of not wanting to report back to the Controller and Auditor-General in terms of Section 39 of that Act which we passed here in 2003. The net result, therefore, was that they gave and qualified clean Reports even when the Controller and Auditor-General came to discover later that actually there were irregularities happening.

Mr. Temporary Deputy Speaker, Sir, one does not need to go too far. The Kenya Reinsurance Corporation was one of such corporations where the Controller and Auditor-General appointed PriceWaterHouseCoopers to audit them. Instead of giving their Report to the Controller and Auditor-General, as the law requires, they gave their Report to the firm and it was published in the newspapers that their affairs were clean. I believe the rest is history. We just saw the other day where they had given a clean bill of health, the Chief Accountant, the Finance Manager and the Chief Executive Officer have all been shown the door because of irregularities within that corporation.

Had those accounts been given to our own supreme audit institution; the Kenya National Audit Office, I am sure those irregularities would have been detected. The biggest problem that we have, is that private firms hear no evil and see no evil. They are interested in their fees and nothing else. As long as the client continues to pay them their fees, they will not see any irregularities. One questions the value of those audit reports if they cannot be able to pick out such irregularities. Therefore, there is cause to question the authenticity and the appropriateness of some of the private audit reports.

Mr. Temporary Deputy Speaker, Sir, another problem that we discovered as a Committee, is the appalling nature that most State corporations do not actually comply with now universally accepted international financial reporting standards in their financial reporting. Most of these corporations are mainly the regional authorities, the Local Authorities Provident Fund, the Kenya Roads Board and others. We will require as a House, to put our foot down and direct the Controller and Auditor-General to demand that all authorities and public enterprises comply with international financial reporting standards which they are expected to be aware of.

The Committee also observed with some concern that the Boards of management of many State corporations, particularly those in the commercial and banking sectors have continually flouted the State Corporations Act, as well as the Public Audit Act because they have not delivered their audited reports and financial statement to be published and laid before the House. I have had occasion, this year, to raise that issue when the Minister for Finance was present. Invariably, the

Committee lays part of the blame on the Minister for Finance for, either, failing to compel the State corporations to comply with the law or failing to table the said reports. An example is the National Bank of Kenya (NBK) and the Industrial Development Bank (IDB). This house is yet to see the reports and financial statements of these two banks for last four years, yet, every year they call shareholders to meetings and display to them some unaudited reports. They are unaudited because they lack the requisite certification by the Controller and Auditor-General as is required by our own Public Audit Act.

We acknowledge the need to harmonise the State Corporations Act, the Public Audit Act and the Banking Act, where it may be desirable that some form of secrecy especially with regard to institutions that are purely of banking nature, that certain aspects of confidential information must not be laid before the House, save through some certain arrangements by way of appearances in camera.

Mr. Temporary Deputy Speaker, Sir, it is the view of the Committee that shareholders. The reason why the State corporations they are examined is that the Government is the majority shareholder in them. Their interests in such organizations like the NBK and IDB and others need to be safeguarded by allowing the necessary disclosures. Similarly, the Committee noted that some of those corporations mentioned above have been publishing their reports without the certificate of the Controller and Auditor-General. I have just given the example of Kenya-Reinsurance Corporation and the NBK. Those are major culprits. As I have said, this is in violation of Section 39 of the Public Audit Act. It baffles all of us that they are invariably given clean reports. Sometimes, when the Controller and Auditor-General audits the same firms in the subsequent years, various grievous reservations are raised. That used to happen with regard to the Kenya Pipeline Company (KPC) and the Kenya Wine Agencies (KWAL) among others.

Mr. Temporary Deputy Speaker, Sir, before I conclude, let me address a few specific issues. It is observed that most of the audit reservations that we came across from the Controller and Auditor-General relate to procurement of goods and services by State corporations, the payment of sitting allowances to Board members and staff and matters to do with the way public land held by State corporations is alienated.

Let me give a few examples: The Kenya Airports Authority (KAA), is one organization that has been notorious in flouting procurement rules. Before I come to what is more recent, let me give an example. In 1999, the KAA was informed of a proposal to dispose off some used baggage trollies by some Chinese airport called Kaitak in the national airport in Hong Kong. Without any pre-shipment inspection, KAA arranged to have the trollies shipped to Mombasa at a total cost of Kshs6.3 million. To everybody's surprise, when the trollies arrived in Nairobi and were handed over to the user department of the Authority, the same user department rejected them and were said to be too old, unserviceable, sub-standard and could possibly mar the image of KAA. To date, the management of KAA does not know the whereabouts of those trollies and can only guess that they were auctioned in 2002. That is what they told the Committee. They were able to fetch Kshs78,000. That is contained in our Report on Page 139. I invite hon. Members and the House to look at the Report.

Mr. Temporary Deputy Speaker, Sir, another one still within KAA, in 2000/2001 had some questionable contracts relating to financial management software and computerization projects with a firm, which I believe many Kenyans know, known as Dynatech International. This firm is associated with the notorious Dr. Merylin Kettering of the infamous Anglo Leasing International. The firm under-performed in the said contract even as they were being paid over Kshs100 million. So, work had to be given to another company. That is contained in our Report in pages 122 and 124.

Mr. Temporary Deputy Speaker, Sir, the Kenya Roads Board (KRB) is another one. It

seems that the construction of roads in this country cannot be complete without something that is now almost a cliché; the variation orders. A lot of explanations given by the Chief Executive Officer (CEO) of the KRB and his officers is that many of those variation orders emanate out of instructions given by the employer who could be the Ministry of Roads and Public Works, Ministry of Local Government, the Kenya Wildlife Services (KWS) because these are the bodies given money directly or by the DRCs.

Mr. Temporary Deputy Speaker, Sir, of the 28th audit reservations raised by the Controller and Auditor-General in the accounts of the KRB for the year 2002, twenty of them were related to variation orders and failure on the part of the contractor, either not to perform or to complete on time or the employer had not paid this or the other certificate and as a consequence, the cost of the roads escalates, necessitating the said variation orders.

It was astonishing to us that some of the variations resulted in contracts being varied to the extent of even up to 200 per cent. While talking about this, it is not unusual; it looks like it is the order of the day. That is within the Kenya Roads Board, at least for the year 2002.

Mr. Temporary Deputy Speaker, Sir, when you talk about the Kenya Airports Authority, it is just the other day that they were doing a contract for Kshs800 million, and the same has been varied in excess of Kshs10 billion. It looks like in this country, quite apart from dealing with pending bills, we have to understand what to do with variation orders.

Mr. Temporary Deputy Speaker, Sir, there was the issue of Kenya Post Office Savings Bank. With regard to this, there is a very interesting provision in the Act. The bank is a creation of an Act of Parliament, Cap.493B of the Laws of Kenya. In that Act, it is provided that where the bank makes losses, the Government will compensate it. We think that in this era of everybody being allowed to compete with others, it is unfair that the Treasury compensates the Kenya Post Office Savings Bank when it makes losses, irrespective of whether those losses are in the nature of the management being poor, or those losses being occasioned by ineptitude on the part of management, or by fraud.

Mr. Temporary Deputy Speaker, Sir, there is the issue of the Kenya Tourist Development Corporation (KTDC). This is one organisation that has been extremely inept in the manner in which it collects its debts. For instance, between 1998 and 2001, the KTDC advanced loans to some persons and firms who were then said at that time to be politically correct, even without confirming their ability or capacity to repay. This is historical, but the problem still persists. This organisation is still doing the same. It is still dealing with bodies and organs that are politically correct.

Mr. Temporary Deputy Speaker, Sir, I have said that a lot of the problems that we have faced have to do with implementation. It takes a lot of time, both for the Committee and the Members of this House, to go through this report, recommendations, observations and, indeed, the evidence in general. But it is a bit demoralising when you look at the Treasury Memorandum. Implementation is totally lacking. With only the exception of that one where we have talked about the Kenya Anti-Corruption Commission (KACC) making a report as it is enjoined by the law to do--- They were able to pick the report of the Committee from the House and they did their own investigations, and they have given their recommendations to the Attorney-General for advice. As to why he should be sitting on the report is anybody's guess. But if we are going to deal with issues year in, year out, we come and recommend, endorse and adopt, we should be told, because, we are not investigators ourselves; we do not have all that it takes to investigate each and every fraud, theft and other forms of mismanagement. When we make recommendations as a House, it is up to the Executive arm to implement them. Therefore, we are urging that when this report is finally adopted, we would want the Executive to move with speed to implement our recommendations.

Before I conclude, I want to pay tribute to the staff of the Kenya National Audit Office and,

indeed, the staff of the National Assembly as well seconded to this Committee. Without their commitment to duty and invaluable advice to the Committee, it would not be possible, year in year out to come up with these recommendations. As you will appreciate, as Members of Parliament, we are burdened by so many other requirements by our constituents. So, without the technical support that we get from the members of staff of the House and the Kenya National Audit Office, as well as, indeed, from the Inspectorate of State Corporations and the Department of Government Divestiture and the Department of Government Investments and Public Enterprises, it would be very difficult for us, as Members of Parliament, to make any meaningful recommendations.

Mr. Temporary Deputy Speaker, Sir, I do not intend to now examine each and every case, because if I go that route, I will be on my feet for the next one week. I consider that to be unfair to my colleagues.

It would be good for me to commend this report and to thank every Member of the Committee for their patience. They sat through many long hours while considering the various recommendations and proposals, as well as the staff.

With those few remarks, I beg to move and call upon the hon. Athanus Misiko Wafula Wamunyinyi to second.

(Applause)

The Temporary Deputy Speaker (Mr. Khamasi): Yes, Athanus Wafula Misiko Wamunyinyi?

Mr. Wamunyinyi: Thank you, Mr. Temporary Deputy Speaker, Sir, for this opportunity, now that you have known all my names, including "Athanus" and "Misiko".

Mr. Temporary Deputy Speaker, Sir, I want to start also by picking from where the hon. Muturi, the Chairman of the Committee has left, and by also thanking my colleagues, Members of Parliament, serving in this Committee. We had 55 sittings, besides the normal work that Members perform here in the House, and the other Committees Members attend. So, this is something that must be appreciated. You and I know that where we come from there is some lizard, you know it. Usually, if nobody thanked it, it would thank itself. It would hit its head on the tree and say, "Thank you very much to itself".

The Temporary Deputy Speaker (Mr. Khamasi): Which lizard is that?

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, you know it!

So, generally, I want to appreciate the work done by the Members. It would have been very difficult because, if hon. Members were not committed to attending the sessions, particularly where quorum is required--- Quorum in the Public Investments Committee (PIC) is not three members like other Departmental Committees. It is five members. So, hon. Members are committed to ensure that the Committee succeeds in its work.

We encountered various problems which the Chairman also pointed out. It is a watchdog Committee whose role is basically on behalf of this House. We have done what we are doing now in the past. The PIC reports have been presented to this House. They have been, in many cases, adopted without amendments. Decisions taken by this House, being the real supreme authority in the land, are not taken seriously by some officers of Government. Those decisions are taken on behalf of the people of Kenya. The Chairman gave an example of the various recommendations that we have made in the past.

If you look at the Treasury Memorandum, which is in response to the recommendations, you will find out that most of those recommendations have not been acted upon. It is just by word that: "We will do this and that", and nothing is done. We have pointed out that now and again, year after year, but that has persisted. It is very discouraging that Parliament adopts a report with all its

recommendations, but some officers elsewhere just sit on those recommendations without implementing them. It is so demoralising, particularly for hon. Members of the Committee and officers of the Kenya National Audit Office (KNAO). They raise those issues, bring about reservations, the matters come for deliberations, we make recommendations, the report is adopted by this House and it is not implemented! We must find a way of strengthening the process of follow up to ensure that, whatever recommendations or decisions have been made by this House are implemented in totality.

We have cited specific cases which are very important to this country and the people of Kenya. I will give a few examples, which are very serious in nature. It is good to bring them out to the public. That will also remind hon. Members of those issues.

It is very unfortunate that some people, some whom are even aspiring for certain positions-- - They want to be hon. Members. They want to be something bigger. They are even looking at the other

House - the State House, but they have been involved in very dubious activities. They have been involved in serious scandals. Some of them have gone scot-free. Nothing has happened in spite of recommendations and the availability of evidence that can sustain any case anywhere. A shining example is the case where---

Mr. Omingo: On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Omingo, what is your point of order?

Mr. Omingo: Mr. Temporary Deputy Speaker, Sir, I do not know whether you have heard the hon. Member on the Floor casting aspersions on hon. Members aspiring to go to the higher office that they are involved in dubious deals. Would I be in order to ask the hon. Member to clarify? Otherwise, the public might look at this House in bad light! Could he substantiate?

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, I think the hon. Member did not get what I said. I said that there are Kenyans, not necessarily even sitting hon. Members, aspiring for positions. Some of them---

The Temporary Deputy Speaker (Mr. Khamasi): That is what I heard!

Proceed!

Mr. Wamunyinyi: Thank you very much, Mr. Temporary Deputy Speaker, Sir. I will be coming to the point. Maybe, the hon. Member will be satisfied when I conclude.

An example is that of a case involving a former Head of Civil Service and Secretary to the Cabinet, who is the Managing Director of Guardian International. She acquired land from Kenya Railways Corporation (KRC) at a cost of Kshs50 million. She sold the same land to the National Social Security Fund (NSSF) at Kshs170 million. Actually, the plot was transferred to her before she even paid for it. She used the money from NSSF to pay KRC. That person is walking around telling other people that she wants to come to Parliament. I believe this is a wrong place for that person---

Mr. Odoyo: On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Khamasi): Yes, what is your point of order?

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, is it in order for the hon. Member to bring to the Floor of this House a matter that was adjudicated by the High Court of Kenya and therein settled? That matter was subject to a court proceeding. Is it in order for the hon. Member to impute further derogatory---

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Odoyo! We are only prohibited to deal with any matter that is *sub judice*. That is what our Standing Order say! Mr. Wamunyinyi, I do not think you have breached any rule.

Proceed!

Mr. Wamunyinyi: You are quite right, Mr. Temporary Deputy Speaker, Sir. Thank you very much. I am only wondering what interest he has in this matter!

Mr. Sungu: On a point of order, Mr. Temporary Deputy Speaker, Sir. This is the Parliament of the Republic of Kenya and we must be told the truth. The hon. Member, whom I respect, should not go round in circles. He should name that person so that we could know who he or she is for the record! We are here to look after the interests of the people of Kenya! If anybody is corrupt, he or she should be named!

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, I have made it very clear. That individual is the Managing Director of Guardian International. I think that is enough. You can follow that up and find out who that person is.

The Minister for Water and Irrigation (Mr. Katuku): But you should name---

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Katuku!

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, I would like to seek your protection, so that I can proceed.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Wamunyinyi, you are protected!

The Minister for Water and Irrigation (Mr. Katuku): On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Katuku, you do not need to raise a point of order when you are seated! You seek permission from the Chair!

What is your point of order?

The Minister for Water and Irrigation (Mr. Katuku): Mr. Temporary Deputy Speaker, Sir, my point of order is that Mr. Wamunyinyi was challenged by Mr. Sungu to name the person he is referring to as "she". That individual is the former Head of the Civil Service, Secretary to the Cabinet and the Director of Guardian International. We know that companies change directors. Am I in order to ask Mr. Wamunyinyi to be very clear on this matter? When I served in the PIC at one time, I knew one individual by the name Mrs. Sally Kosgey who was the Director of Guardian International. It is only fair for him to clarify that matter!

Mr. Wamunyinyi, could you clarify whether it is the same lady or---

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Katuku! You have made your point!

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, I want to thank Mr. Katuku for his point of order because he has made it very easy for me. He has named the person. So, I should proceed.

The point I am driving at is: If I was in charge---

Mr. Odoyo: On a point of order, Mr. Temporary Deputy Speaker, Sir.

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, this is now becoming---

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Odoyo, what is your point of order?

Mr. Odoyo: I seek your indulgence, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to bring politics in this House, even though we are politicians? Mrs. Sally Kosgey recommended and supported Mr. Raila during his presidential launch. She is, therefore, becoming a subject of unnecessary attack, which should not be brought to this House! May I seek the indulgence of the---

The Temporary Deputy Speaker (Mr. Khamasi): Order! I think Mr. Wamunyinyi has the Floor to second this Motion. We shall give him time to do so, with very few interruptions.

Mr. Odoyo, your point of order is very frivolous! I will, therefore, not accept it.

(Applause)

Mr. Wamunyinyi, please, proceed!

Mr. Wamunyinyi: On a point of order, Mr. Temporary Deputy Speaker, Sir. I wish to draw your attention to the fact that the hon. Member does not hold any position in the Opposition. He should, therefore, speak from the back---

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Wamunyinyi! Once the Chair has ruled on a matter, you do not go back to it! You will proceed from where you left before you rose on a point of order!

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, the point I am driving at is that if I was in charge, I would not let this kind of crooks move around this country using public funds. They roam around using money they have stolen from the Kenyan public.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Wamunyinyi, mind your language!

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, I wish to appeal to the Government to ensure that action is taken against this person. This person should be elsewhere. She should be moved away from the general public because she continues to cause harm.

Mr. Temporary Deputy Speaker, Sir, this is just but one case. There are several cases. One person, for example, aspiring for an office in this land, sold parcels of land from Ngong Forest to Kenya Pipeline Company (KPC). This land was worth Kshs290 million. For the benefit of hon. Members, I will refer you specifically to this case.

Mr. Temporary Deputy Speaker, Sir, look at page 236 of this Report. You will find that 33 parcels of land were sold to KPC at Kshs292 million. This land was hived off from Ngong' Forest. When I talk about this, some hon. Members rise to challenge me. What is it that they would want to protect from someone who grabbed a forest, took away public funds and is now using the same to walk around the country pretending to be very clean and aspiring to lead this country?

Mr. Odoyo: On a point of order, Mr. Temporary Deputy Speaker, Sir. Let me move away from the microphone at the Dispatch Box.

Mr. Temporary Deputy Speaker, Sir, the said paragraph has not named any individual. Therefore, is it in order for the hon. Member to mislead this House that it has named an individual? Indeed, it refers to several companies, but it has not mentioned any particular individual.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Odoyo, do not use the back door to begin debating. You stood on a point of order and you must be very specific. That is it!

Mr. Odoyo: Is it in order for the hon. Member to impute improper motive that the NARC(K) presidential candidate grabbed land?

The Temporary Deputy Speaker (Mr. Khamasi): He has not even said "NARC-Kenya!" I did not hear that. He did not say "NARC-Kenya!"

(Laughter)

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, I had not named any particular candidate unless the hon. Member wants to name someone.

The Temporary Deputy Speaker (Mr. Khamasi): I was listening to hear you do so, but up to now, you have not done so! **Mr. Wamunyinyi:** Mr. Temporary Deputy Speaker, Sir, I will be coming to that.

The Minister for Water and Irrigation (Mr. Katuku): On a point of order, Mr. Temporary Deputy Speaker, Sir.

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, I wish I could get my time because hon. Members will get theirs to contribute on this Motion.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Wamunyinyi, let us listen to Mr. Katuku's point of order!

The Minister for Water and Irrigation (Mr. Katuku): Mr. Temporary Deputy Speaker, Sir, I hate to interrupt Mr. Wamunyinyi who is proceeding very well. However, Mr. Odoyo dragged the name of a very popular party known as NARC(K) into this matter.

Mr. Temporary Deputy Speaker, Sir, is he in order to leave this matter like that? Could he substantiate or withdraw the remarks?

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Katuku! You are out of order!

Mr. Wamunyinyi, please, proceed!

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, that would amount to challenging the Chair. The Chair had ruled that the hon. Member was out of order. We do not have to revisit the issue.

Mr. Temporary Deputy Speaker, Sir, for the benefit of hon. Members, I want to go further to state that when the Committee takes evidence, various persons are given an opportunity to testify or defend themselves. All the people I have referred to were given an opportunity to explain themselves. We, therefore, cannot say that they were condemned unheard.

Mr. Temporary Deputy Speaker, Sir, the companies that have been listed here have human beings behind them. If you went to the Registrar of Societies, you will find the names. In case there are changes, you can follow that up. However, in this case, there was no dispute over the human beings behind those companies. They were given the opportunity to state their cases.

One of them even appeared before the Committee and said he was only working for his political party. That is the reason he gave. The political party was the ruling party then which Mr. Odoyo and company joined just before the last Parliament came to an end.

Mr. Temporary Deputy Speaker, Sir, it makes me wonder whether his continuous interruptions have anything to do with the same. What interest has he got?

Mr. Odoyo: On a point of order, Mr. Temporary Deputy Speaker, Sir.

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, the hon. Members and the person I am talking about were members of KANU and he was---

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Wamunyinyi!

Mr. Wamunyinyi: He should stop interrupting me!

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Wamunyinyi! You called for it and you cannot stop him from interrupting you.

Mr. Odoyo, please, proceed!

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, is it in order for the hon. Member to instead of addressing the Chair, he takes upon himself the task of attacking honourable and straight forward Members like myself?

Secondly, is it in order for the hon. Member to keep dragging party affairs to the Floor of the House? This House is supposed to be non-partisan and deal with issues.

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, I was just saying that there are minutes of these meetings. If any hon. Member is in doubt, I pointed out the page number on which to find what I am talking about. If you want to know what I am talking about and what was discussed during the Committee sessions, you can access the HANSARD and minutes of the meeting rather than interrupt me. You will have an opportunity to contribute and say what you want to. Let me proceed.

Mr. N. Nyagah: On a point of information, Mr. Temporary Deputy Speaker, Sir.

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, I accept the information from Mr. N. Nyagah.

Mr. N. Nyagah: Mr. Temporary Deputy Speaker, Sir, I would like to inform my good

friend, Mr. Wamunyinyi, that this Parliament is composed of politicians. This Parliament is political. If it were un-political, there would be no Parliament.

Secondly, Mr. Wamunyinyi, through the Chair, this House has two sides facing each other, and which oppose each other. Therefore, in view of what you are continuing to say, Mr. Wamunyinyi, you should say more and more of it.

Thank you.

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, I thank the hon. Member very much for that information. I thought he had some good information, but he has taken the direction of Mr. Odoyo.

(Laughter)

Mr. Temporary Deputy Speaker, Sir, let me hope that there will be no more interruptions, so that I can proceed.

The Temporary Deputy Speaker (Mr. Khamasi): You have less than five minutes now.

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, the other important example which I think I should point out is of the Kenya Sugar Board, which has a sister company called "the Sugar Development Fund". I think it was an oversight that we did not separate the functions of the Kenya Sugar Board from those of the Sugar Development Fund when we established the Board. There has been continued discrepancies in accounts. One Chief Executive Officer is running both organisations. The Chief Executive of the Kenya Sugar Board makes decisions at the Board as well as at the Sugar Development Fund.

Mr. Temporary Deputy Speaker, Sir, there has been conflict of interest to the extent that certain accounts cannot be explained, because decisions were taken at the Kenya Sugar Board by members of the Board, which, of course, concerned the Sugar Development Fund. So, it is important that we also work towards harmonising the issue of the relationship between the Kenya Sugar Board and the Sugar Development Fund. The Kenya Sugar Board has been very seriously involved in disputes over importation of sugar year after year.

Mr. Temporary Deputy Speaker, Sir, the Public Investments Committee (PIC) had previously recommended that, without compromising the autonomy of the Kenya Sugar Board, and in order to streamline the sugar sector and safeguard the national interest in the importation of sugar, an inter-Ministerial committee be formed, comprising representatives from the Kenya Revenue Authority, the Ministry of Agriculture, the Kenya Sugar Board and the Ministry of Trade and Industry to set guidelines on the importation of sugar. Of course, those guidelines are to be looked at before 31st December of every year. Before that date, those concerned would have the go-ahead to use those guidelines and regulations and undertake the process of importation of sugar.

However, from the time when this recommendation was made, nothing has happened. It is one of those I have looked at in the Treasury Memorandum. Nothing has taken place, but we continue to see Members of the Government quarrelling openly. That is very discouraging. I do not want to dwell on that issue, but the Government should act on those recommendations to ensure that we do not see the kind of public verbal exchange that happened recently between Cabinet Ministers over importation of sugar. Lack of knowledge on what the two Ministers were quarrelling about caused the people to speculate. Parliament is not for speculation. So, I do not want to delve into that issue. The recommendation of the Committee is what I am talking about.

Mr. Temporary Deputy Speaker, Sir, I want to come back to the issue of sugar. As we approach the deadline to the opening up of the market in the region, our farmers have not been helped to get ready for liberalisation. This must be done. We heard, recently, about the case of Nzoia Sugar Factory, where the management was involved in corruption and theft of sugar. The

Chief Executive Officer and others spent Kshs300 million to service and maintain the factory. However, in spite of spending that much money, the exercise led to poor yields. Now, production is at its lowest ebb. We have learnt that the factory is even closed due to bad management. The workers have gone on strike, *et cetera*.

In order for us to be able to move forward, as a country, and ensure that we help our people, let the Government act on issues which have been brought to its attention. If, really, our teeth are sharpened, and we are ready to bite anybody going the wrong way, these issues, which we keep talking about, will come to an end.

So, as I conclude, I want to state that some Government officers, including the Chief Executive Officer of the Kenya Airports Authority (KAA), whom the Chairman has talked about, are doing strange things. Sacking 222 people and recruiting a similar number of people does not result in a saving. I am talking about Mr. George Muhoho. I am not sure of his age, but he must be--

The Temporary Deputy Speaker (Mr. Khamasi): Time up, Mr. Wamunyinyi!

Mr. Wamunyinyi: Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to second.

(Question proposed)

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Peter Odoyo, you can now say your bit.

Mr. Odoyo: Thank you, Mr. Temporary Deputy Speaker, Sir.

Many a times, this House has noted that at one time Kenya, Malaysia, Singapore and Taiwan were at par. The difference between Kenya and those countries is that whereas we were spending three quarters of our money on recurrent expenditure, they were spending two thirds of their money on development projects. We, in Kenya, started many parastatals with a view to making them investment vehicles, so that they could assist Kenya grow. Indeed, as time went by, some of them became dens of corruption and illegal capital accumulation, which was channelled to what we may call "unproductive private sector ventures", including purchase of non-wealth-creating land.

Mr. Temporary Deputy Speaker, I have taken the trouble of looking at the PIC Reports over the years. They are, but a litany of theft, fraud, continued theft, additional theft, outright robbery and what we may call "kleptocracy" - the art of stealing billions of shillings from public coffers.

One of the main issues that NARC promised, during the run-up to the 2002 general election, to deal with once it came to power was the stopping of theft of public resources from public coffers. As we stand here today, many of my colleagues on the Government side continue to shake their heads. The level of theft has risen from millions of shillings to billions of shillings.

That magnitude of theft is clearly manifested in parastatals. The Government may claim that the country's economy is growing. The economy may be growing through additional revenue but, as revenue collection has increased, so has the level of theft. Whereas previous revenue collection stood at Kshs200 billion, today the Government collects almost Kshs400 billion. Whereas at that time, we may claim that between Kshs20 billion and Kshs30 billion was being stolen annually, today, between Kshs50 billion and Kshs80 billion is being stolen annually. The level of theft is increasing, and is not declining. So, why are they stealing this money?

The Temporary Deputy Speaker (Mr. Khamasi): Order! "Steal" is unparliamentary language. So, mind your language.

Mr. Odoyo: Much obliged, Mr. Temporary Deputy Speaker, Sir. But basic research has shown us that almost 60 per cent of this money seems to be misappropriated from the Civil

Service, and 40 per cent of it from the parastatals sector. Therefore, I, as a Member of the Parliamentary Accounts Committee (PAC), have a difficult task of interrogating the Accounting Officers over theft of public funds in the Civil Service.

However, let me now take this opportunity to comment on specific cases, as the Report enumerated, and the inability of the Treasury to respond to all these good deeds done by hon. Members of Parliament. Let me start by congratulating hon. Muturi, who has been a good Chairman of the Public Investments Committee (PIC), and hon. Wamunyinyi, who has been an honest and valuable Member of that particular Committee. He has been attending almost every session of the Committee. If we were to assume that hon. Wamunyinyi will continue to sit where he is, I would recommend him to be the Chairman in the following year, as he will be in the Opposition.

(Laughter)

An hon. Member: Are you deporting him!

Mr. Odoyo: No!

The Temporary Deputy Speaker (Mr. Khamasi): Please, address the Chair!

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, I am merely encouraging him to continue sitting where he is, and I will promote him to be the Chairman of the PIC next year, as he will be a Member of the Opposition.

Mr. Temporary Deputy Speaker, Sir, there are some specific cases that I would like to cite. One of them is the Kenya National Trading Corporation (KNTC). The KNTC was one of the corporations that was formed by the Kenyatta Government to assist us to trade, specifically, with the Eastern Bloc. The distributive sector was, at that time, totally in the hands of the Asian community and we, Kenyans, were locked out. For that reason, the KNTC was formed to assist the people to participate in the distributive sector. Since then, it has been overtaken by events. The recommendation by the PIC that it should be wound up, has not been implemented for the past five years. This particular parastatal continues to guzzle public funds and, yet, it is taking us nowhere. I, therefore, support the recommendation of the PIC.

But before all that is done, I note with concern that a person called Mr. Manga Mugwe and his brother, Mr. Pascal Mugwe, first of all, supplied "air" and they were paid Kshs7 million for supplying fertilizers. Secondly, they went ahead and grabbed land; Plot No.209/10343. However, the Treasury says that it is unable to trace any assets of Mr. Manga Mugwe, who is one of the richest Kenyans today. Why should we wait for these so-called "bad Kenyans" who are bringing the development of Kenya down to continue galivanting around town and flashing wealth that was acquired from public coffers? I believe that Mr. Manga Mugwe has assets. He is one of the richest owners of private capital in Kenya. Therefore, I see no reason why the Treasury is unable to recover from him a mere Kshs7 million and land which he grabbed, which is worth only Kshs150 million, unless, of course, it is a beneficiary from this continued corruption which seems to be on an increasing path.

Mr. Temporary Deputy Speaker, Sir, the second case relates to the Communications Commission of Kenya (CCK). The Committee discovered that Kshs196 million was stolen. This is just pure theft, involving someone writing a cheque and walking into a bank with ten *gunias* and stuffing Kshs1,000 notes, *halafu anabeba*. He puts them in a pick-up and goes with them to his home.

The Temporary Deputy Speaker (Mr. Khamasi): Order! Mr. Odoyo, I am sure you are aware that once you start contributing in a particular language, you continue with it until you finish. You do not mix languages. I do not need to advise you on that!

Mr. Odoyo: Much obliged, Mr. Temporary Deputy Speaker, Sir. Let me continue in what we may call the Queen's language.

(Laughter)

Mr. Temporary Deputy Speaker, Sir, we have thieves in this country who are so daring, as the PIC has pointed them out, that they have the capacity to write a cheque, for example, and walk into a bank with several empty sacks, stuff them with Kenya shillings, walk out with them and load them on a pick-up. They then go and stash the money in their rooms and houses. A case in point is where a former Member of Parliament was found with Kshs20 million, which was called loose-change-money, that was kept in the kitchen for the wife to use as petty cash for buying milk and bread.

Mr. Temporary Deputy Speaker, Sir, we have several cases where the PIC has recommended that public officers, who have been associated with grand theft and corruption; white colour crime, should not be allowed to hold public office. Today, the PIC has recommended several people. They include, Mr. Masika, formerly of the National Social Security Fund (NSSF) and Mr. Paul Baya, who is a former Permanent Secretary. Some of these people are still in the Public Service. One of them was appointed chairman and the other Ambassador. They are holding public offices despite the recommendations of the PIC. The time is right for us to ask: How is the Minister benefiting from this? Why does the Minister seem very happy with these people being appointed into public office? We must question this Government. Is political expediency taking over the economic rationale of the Government of this country? Are we going to continue hurting this country, by putting people, who are known thieves, in places of responsibility to steal more? When they steal more, where do they take this money? Could it be that the so-called party that was referred to by the Minister for Water and Irrigation--- The Minister for Water and Irrigation, indeed, referred to a very popular party called NARC(K). Indeed, I have no problem with NARC(K) being popular, but with its funding; the source of illegal funds that may be used for campaign purposes. That is an issue that I will take up in a different forum. I will leave it with the aspirant for the chairmanship of that party, who is now an interim vice-chairman, the Minister for Water and Irrigation, to continue pursuing that particular subject, as we shall take it over at the appropriate time, at the public court.

Mr. Temporary Deputy Speaker, Sir, another case is the Teachers Service Commission (TSC). The TSC lost Kshs19 million to fraud.

The Minister for Water and Irrigation (Mr. Katuku): On a point of order, Mr. Temporary Deputy Speaker, Sir!

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, as you can see, I am continually being interrupted by NARC(K) aspirants. These are people who want to force into power the NARC(K). They should not bring the squabbling of the NARC(K) into this House! Kshs19 million was lost through fraud.

The Minister for Water and Irrigation (Mr. Katuku): On a point of order, Mr. Temporary Deputy Speaker, Sir. I have been very patient with the hon. Member, thinking that he will get back to what we are discussing. Is he in order to continue discussing irrelevancies? The Report that we are discussing has nothing to do with the NARC(K). Is he in order?

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Minister, you have made your point! Mr. Odoyo, to a large extent, let us confine ourselves to this Report. Let us not discuss the aspirants or who wants what in NARC(K), because that is not the subject now. Let us confine ourselves to the Report!

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, I am much obliged with your ruling.

Thank you for continuing to protect me from what we may call "undrinkable water" that is being supplied to poor Kenyans.

Mr. Temporary Deputy Speaker, Sir, on the issue of the Teachers Service Commission (TSC) where Kshs19 million was stolen, it was a clear case of what we may call "network theft". This is a clear case that the Kenya Anti-Corruption Commission (KACC) up to today has been unable to dismantle; the corruption network. The corruption network cuts across many Ministries; they are in the Treasury, they are in line Ministries and in parastatals. These networks, up to and until the Minister is able to dismantle them, indeed, corruption will continue unabated. A case in point was the Kshs19 million fraud within the TSC and, up to today, the Minister for Finance keeps on saying: "I have requested the Attorney-General to take action". That seems to be the corner from which the Treasury keeps on trying to outbox us, like the way Mohammed Ali outboxed George Foreman in the jungle battle in Zaire. But let me assure the Treasury that, indeed, the Minister in that corner is going to be plummeted down, to be knocked out, because he cannot forever hide under the cliché that he has written to the Attorney-General to take action. That is not adequate. Indeed, in this particular Government, only three people have got executive powers: His Excellency the President, the Minister for Finance and the Minister for Local Government. These people have Executive authority as granted by powers from this House. I still do not know why the Minister is not able to take executive action. Indeed, he has such bodies as the Commissioner for Value Added Tax (VAT) and the Commissioner for Domestic Taxes; all these people have various kinds of power which the Minister is able to use adequately to make sure that the public is not losing funds.

Mr. Temporary Deputy Speaker, Sir, many of the people who have lost funds---

Mr. Sungu: (Inaudible)

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, I have just been reminded that, indeed, the issue that we do have water running from Mt. Kenya all the way to Lake Victoria but, unfortunately, that water never seems to get halfway down. It is being drunk by all the people who live in Mt. Kenya. Why is that happening? That will be a subject which, I hope, at the appropriate time, we shall discuss, on the continued over-drinking of water by these mountain people who have finished it for those of us in the lowlands. We do not seem able to get any drinkable water from these people. I urge the Minister for Water and Irrigation to, please, find a way for the people of the lowlands like us to also find water to drink. These people are greedy! They are finishing this water!

Mr. Temporary Deputy Speaker, Sir, on the issue of the Kenya Airports Authority, there are big pointers that fire-fighting equipment was fraudulently bought. Why was it fraudulently bought? Indeed, there is evidence from those of us who have had the opportunity to travel far and wide; not only as the Assistant Minister for Foreign Affairs when I was there, but also in my private capacity as a businessman and as a consultant in PriceWaterHouseCoopers and other Non-Governmental Organizations (NGOs). That is the case of fraudulent acquisition of fire fighting equipment; second hand fire fighting equipment were bought from a third-world country, repainted and probably sold at four times the price of buying a brand new one from Germany. This outward and downward theft of public coffers is the reason why Singapore, Taiwan and Malaysia are there and we are here.

Secondly, Vision 2030 has not addressed that particular problem. I, as an economist, know that the trickle down theory will not work. The emphasis on growth alone is not necessarily the solution. The magic figure that, if we grow at six per cent, will guarantee re-election, I assure you that, indeed, like the Bharatiya Janata Party (BJP) in India, when the economy was growing at eight per cent but was voted out of office, this Government will come to realize that, indeed, the local *wananchi* are suffering out there! I represent poor Kenyans in a rural constituency and I see poverty; daylight poverty every single time I go home.

The Minister for Water and Irrigation (Mr. Katuku): (Inaudible)

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, of course, one of the reasons why we are so poor is because we have no water. If only we are able to get water, we will be able to move.

(Laughter)

Mr. Temporary Deputy Speaker, Sir, on the issue of the Post Office or the Postal Corporation of Kenya (PCK), PIC has recommended clearly that these people have sold land. They have not only sold land, but they have bought satellite equipment at ten times the market value. They have signed contracts going several years at over-priced and over-inflated prices.

Those who are benefitting are in this Government; satellite transfer, sale of land. The recommendation by the PIC is to, please, bar; please, recover, but the Minister continues to say: "I have written to the Attorney-General", as if that is, indeed, an action! If a whole Minister, running around in an expensive Mercedes Benz with a chase car; he has got tonnes and tonnes of other benefits that we are giving him, and the best he can say is: "I have written a letter to the Attorney-General", when and how will this county be saved from the hyenas; from the people who are stealing from Kenyans? If and when---

An hon. Member: ODM Hyena?

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Odoyo! That word is unparliamentary!

Mr. Odoyo: I am much obliged, Mr. Temporary Deputy Speaker, Sir. I will try to use parliamentary language by saying that those who continue to misappropriate funds from public coffers with impunity. In this, lies the main subject that I want to refer to; the key word, "impunity". Why impunity? Because one says: "We have taken over law courts! The man in law courts is our man". Impunity! *Endelea mbele!* They will say: "Ooh, the man doing investigations is our man! *Endelea mbele!*" Impunity! They say: "Ooh, the people who do prosecution at the Attorney-General's Chambers are our people!" Impunity! The issue is; people who are lining up in the police cells, in the Attorney-General's Chambers, in the investigative arm of the KACC and in the High Court, this is what brings impunity.

Time is ripe for us to say: We must be able to put checks and checking systems among our people. We cannot have people from the same village doing prosecution, the same village doing investigation; the same village doing the arresting and the same village taking you to court. That is the root of impunity!

(Applause)

Mr. Temporary Deputy Speaker, Sir, it is impunity that we, Kenyans, are afraid of, because we tried during the colonial times when our people were raped; they were raided and stolen from with impunity by the white man! The white man's burden, indeed, has become the black man's burden. But who is this black man? He is not necessarily a Kikuyu; he is not necessarily a Luo; he is not necessarily a Kamba. Who is this man, who, indeed, is able to rape Kenyans of their public coffers? This is the man that we have to go after. He is not a tribal man, he is a thief! And we have to go after this thief without saying: "This man is from my tribe", because this same man is not only hurting your tribe. If we are talking about Kikuyus, they are the largest tribe in Kenya. They have the richest and the poorest people in Kenya. When this economy is going down, they suffer the most, and if you do not believe me, look at the thugs in *Mungiki*. Look at the people hijacking the streets! Those are the people who do not have a livelihood. They do not have an opportunity, and many of them are Kikuyus. Therefore, I urge the Government that they should not cheat themselves by saying that this is a Kikuyu Government; they can, therefore, steal and hurt this

country. Indeed, the more you steal, the more you hurt this country and the more you are hurting your own fellow tribesmen because they are the most and, therefore, the most likely to be hurt. We shall continue seeing them hurting.

Mr. Temporary Deputy Speaker, Sir, as I move on, let me take a quick look at the Electricity Regulatory Board (ERB). On that particular board, the Public Investments Committee (PIC) recommended that there is an hon. Member of this House, Mr. Wetangula, who caused some loss of income. The PIC recommended recovery. It should be proper that such cases of PIC where we have hon. Members who have been accused, this House should collect that money automatically upon recommendation of PIC.

(Applause)

They have a salary in this House and we should not wait for the Ministry to go and recover. When the person has a salary here, we should merely, through a check-off system, deduct the money and take it to the Ministry.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Odoyo, when did we turn Parliament into a court of law? When was that? You should make the law!

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, I believe that we were talking about a Parliamentary organ or Committee called the Public Accounts Committee (PAC). It is on that---

The Temporary Deputy Speaker (Mr. Khamasi): It is not a court of law!

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, I am only pointing out that we are sitting here and judging our own peers, fellow hon. Members, if, indeed, we have called them to the Committee and they admit that they owe that money, we should not have to wait for him to go to a court of law or for the Ministry to go to a court of law. We should, indeed, at that point recommend to the Clerk through the Speaker that, that money should be chopped off from their salary and forwarded to the relevant Ministry so that we are able to forward---

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Odoyo! Indeed, that is---

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, I accept your observation. I will, therefore, approach it from a different angle.

If Parliament is to present an honest and legitimate face to Kenyans, we must be harsh and righteous to our fellow hon. Members as we are to those who we are vilifying on the Floor of this House. This Committee has mentioned hon. Members. It has mentioned my own Vice-Chairman in my party ODM, Mr. M. Kilonzo. It has mentioned Messrs. Shakombo and Wetangula. It would be proper that, at least, some Committee of the House is able to determine where some means by which this House can take action immediately, so that we show and demonstrate to Kenyans that any hon. Member sitting in this House, who owes money, which he got through some sort of corruption, we ourselves, who have our internal policing system and rules and regulations of Standing Orders, have already taken action. That money would have been recovered.

(Applause)

Mr. Temporary Deputy Speaker, Sir, I seek your indulgence that as and when, you, as a Commissioner, will be looking at the new Standing Orders, that with the weight being here, the issue of us being able to be as tough on fellow hon. Members as the others, would help us elevate the level of this House in the eyes of the society.

I pointed out Mr. Wetangula. There is also Mr. Dalmas Otieno, who as also been mentioned. Just to make sure that the Minister for Water is not accusing me of practising tribalism, Mr. Dalmas Otieno is, indeed, there. We have Mr. Lawi Kiplagat who have all been barred from

taking any public office.

The final case is the National Housing Insurance Fund (NHIF). The NHIF imprudently invested money here and there. The PIC has pointed out that they stand to lose over Kshs300 million. That, also is at the heart.

The Temporary Deputy Speaker (Mr. Khamasi): Is that the National Hospital Insurance Fund?

Mr. Odoyo: Yes, Mr. Temporary Deputy Speaker, Sir. The National Hospital Insurance Fund (NHIF). That is also at the heart of what I would like to criticise PIC Report for. The PIC reports, while they have been able to focus extensively on the financial aspects of many of these parastatals, there are many mitigating circumstances that PIC needs to focus on. One of them, of course, is management. For example, does the PIC ever interrogate whether some of these Chief Executives deserve to be CEOs? Someone who has been put to run an engineering firm may turn out to have been a drop out---

The Temporary Deputy Speaker (Mr. Khamasi): Time up, Mr. Odoyo!

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support.

The Assistant Minister for Local Government (Mr. Muchiri): Mr. Temporary Deputy Speaker, Sir, I thank you for the chance to contribute to this Motion for the adoption of the 14th Report of the PIC.

Mr. Temporary Deputy Speaker, Sir, I was an hon. Member of this Committee before my elevation to Assistant Minister for Local Government. I can, therefore, attest that the accuracy of the report is fine. I must take this opportunity to thank hon. Members with whom we worked together and made several hearings regarding various corporations. I must also note that the Controller and Auditor-General and his staff have done a very good job. I can tell you that among the auditors that I have come across, they appear to be very candid and straightforward. They leave no stone unturned when they give reports to the PIC.

This Report is self-explanatory and I do not intend to take hon. Members through the pages. However, I want to say one thing: That there is need for hearings of the PIC to be made public. This was contained in the proposed Constitution that never saw the light of day. That, Parliament and its Committees be heard in public. So, if that was to be done, even if it was for this House to change its Standing Orders, I think it will go a long way as a deterrent to those who appear before the Committee for various malpractices, financially or otherwise.

Mr. Temporary Deputy Speaker, Sir, if one was to take a pen and, perhaps, calculate the amounts of money we may have lost through mismanagement of finances in our parastatals in the past, one would come to the conclusion that the previous managers of corporations in this country were never serious. As we read this Report, you find that a lot of accounts that were deliberated upon, were accounts that were before the Kibaki administration. I used to say in the PIC that the amount of corruption and fraud that is contained in this book is almost equal to or very close to the so-called Goldenberg and Anglo Leasing.

Therefore, this document should be taken very seriously by parent Ministries so that where action is required, it is taken. It is just a question of action being taken. However, the responsibility of implementation of recommendations by this Committee is rested with the Treasury. I would like to call upon the Treasury and officers concerned to ensure that the recommendations by PIC are followed up. I also see that this House originates the Controller and Auditor-General's reports to Parliament; the PIC hears the cases and reports thereof, then we go back to the Treasury for implementation.

To me, it appears like a circus of some sort. I would wish to see that in future, we have an implementation Committee of Parliament to implement what comes out of the Public Investments Committee (PIC) and the Public Accounts Committee (PAC). I think that would make matters to

be fairly okay.

Mr. Temporary Deputy Speaker, Sir, as much as many corporations have been reported here, it is important to say that the PIC deals with a lot of backlog. For instance, the current PIC is dealing with issues to do with the past KANU administration. How do we encourage and facilitate the PIC to go through the current Reports instead of dealing with the backlog? We need to think about that particular aspect. For example, Parliament, through the Clerk of the National Assembly, should be able to facilitate the PIC to sit even when the House is in session so that they can finish the backlog. That has been a big problem. We are not supposed to be dealing with accounts for 1997/1998, 1998/1999, 1999/2000 or 2000/2001 when we are in the 2006/2007 financial year. I think that is an issue. It is, indeed, a structural problem that we need to look at.

*[The Temporary Deputy Speaker
(Mr. Khamasi) left the Chair]*

[Mr. Deputy Speaker resumed the Chair]

Mr. Deputy Speaker, Sir, there is some kind of thinking that when the Government procures goods and services, you must pay for those services or goods expensively. This is something that we need to discourage in this country. The Government has no money to give for free. It has to get value for its goods and services. Therefore, even where tendering is being done, we must be able to scrutinise and analyse what we have received from the tenders so that even contractors and professional firms do not inflate their tender sums just because they are providing services to the Government. Even where tendering is a good system of procuring goods and services, that should also be subjected to a lot of scrutiny. A lot of money has been lost, in many instances, because of improper procurement and sometimes through what we call single sourcing. This has been the problem in this Report. We must encourage tendering, but at the same time discourage single sourcing or direct procurement so that we do not continue incurring a lot of losses when procuring goods and services.

Mr. Deputy Speaker, Sir, when you look at parastatals such as the National Hospital Insurance Fund (NHIF), you will realise that they were unable to concentrate on their core business. They went on a frolic of their own to invest in properties and at exorbitant prices. In that process, they are now left with properties that they cannot even dispose of. That is the same case with the National Social Security Fund (NSSF). It is important that our parastatals restrict themselves to their core business so that they do not deviate to other matters or ventures that are not part of their core business.

So, Mr. Deputy Speaker, Sir, as I said earlier on, I would like to encourage hon. Members to go through this Report and I am sure they will read a lot of things that will, perhaps, amaze them. However, I would like to assure this House, that from the Government side, we shall do what it takes to make sure that the recommendations of the PIC are followed up and anybody who has been incriminated or involved in malpractices with regard to finances will be dealt with. But I also want to tell the Attorney-General, because a lot of recommendations here are directed at him, that he has to work overtime to ensure that the recommendations of the PIC are implemented. Most of the recommendations call upon him to take action, that is, prosecute. In that regard, therefore, the office of the Attorney-General should be facilitated to undertake all these recommendations.

There are cases where the Report has recommended surcharges on some Chief Executive Officers (CEOs). Most of them may not be in service currently, but I am sure they live somewhere in this country. They should be able to pay for the mistakes they made while in office. In fact, this is the challenge, that those who are in service must be able to do a good job so that the long arm of

the law does not follow them to their houses or graves. This is a challenge to all our CEOs in this country.

Mr. Deputy Speaker, Sir, if our parastatals were properly managed, we would not need to start looking for funds to develop this country. Why can our parastatals not provide some of their profits? The Kenya Airports Authority (KAA) is a cash cow and it can give this Government a lot of money and so is the Kenya Pipeline Company (KPC) and the NSSF which keeps people's money. All that money should be looked after. There is no reason why our State corporations cannot be able to give some dividends to the Treasury. In terms of finding out whether they are doing well or not, we want to see a cheque from them because, for us, other than service delivery, they are also supposed to give the Government some dividends to undertake other development pursuits.

Mr. Deputy Speaker, Sir, I would like to support this Report. There are some instances where matters have gone to court, for example, the case of KPA procuring services for some project. Since the matter went to the High Court and later to the Court of Appeal, the Report has recommended that the Attorney-General should look into that file and either close it or otherwise--- I believe that when matters have been through court, sometimes it is good to say that they have been dealt with satisfactorily and they are, as they say, less *judicata*, that means that you cannot go into the matter. Even issues to do with companies like Triple A and so on, are all mentioned in this Report. I do not want to bore this House with narrations of what hon. Members can read for themselves in this very useful and voluminous Report.

Mr. Deputy Speaker, Sir, I must thank the Chairman of the PIC, hon. Muturi, for how he has conducted the hearings in that Committee. I would also like to reiterate that, and I am happy that you are the Chairman of the Standing Orders Committee, we need to have hearings of both the PIC and the PAC made public.

Mr. Deputy Speaker, Sir, with those remarks, I beg to support.

Mr. Kimathi: Thank you, Mr. Deputy Speaker, Sir. It is very disturbing when this National Assembly continues, through the PAC, to name characters in this country who have looted public coffers. The same people find their way---

Mr. Deputy Speaker: Order, Mr. Kimathi! We are talking about the Public Investments Committee (PIC).

Mr. Kimathi: Mr. Deputy Speaker, Sir, about five or six years ago when Kenya-Reinsurance Corporation was to be sold for a mere Kshs750 billion, that year, the profit of Kenya-Reinsurance Corporation turned to Kshs1.4 billion. That means if it could have been sold, the buyers would have within one year got a return that even gold miners would not realise.

Mr. Deputy Speaker, Sir, it is also disturbing to find that the Public Accounts Committee (PAC) names Mr. Kimathi or another person in a scandal when I am holding a public office, either a parastatal or---

Mr. Deputy Speaker: Let me remind you again. We are debating the Report of the Public Investment Committee (PIC) and not PAC.

Mr. Kimathi: Yes, Mr. Deputy Speaker, Sir, do not forget that I am still in Form One. This is my first term in Parliament. I am not like Mr. Phillip. I have not finished ten years.

We want this House to have teeth to bite. When this Parliament passes a law that if you misappropriate funds for a certain parastatal or the Government--- For example, you were the Provincial Commissioner (PC) in Central Province for long and the Kikuyus loved you. You served us very well and you did not grab land even though it was in plenty. So, even if you vied for a seat in Kikuyu-land, you would get it, because you never grabbed.

Mr. Deputy Speaker: Mr. Kimathi, I thank you for the compliment but is that relevant to what we are discussing?

Mr. Kimathi: Mr. Deputy Speaker, Sir, what I am saying is that when a civil servant is barred from holding a public office for having misappropriated funds elsewhere, then at the end of the day he finds his way to Parliament--- Parliament is a much more superior public office than any other office on land because Parliament makes the law for the bureaucrats. That is, the Executive and the Judiciary. If you have a malpractice record and you have been named by any Committee of Parliament, you must be barred even from presenting your papers to any office either as a councillor or as a Member of Parliament on your way to the Cabinet.

It has been the practice in the past that you must have a rich curriculum vitae (CV) of the many areas that you have stolen from, for you to be awarded a bigger job. That must come to an end. It has to be the importance and the neatness of your CV that should give you a job and not how many parastatals you have brought down.

Mr. Deputy Speaker, Sir, let us not talk of colonial Government, KANU or NARC Government. That party that wins and forms the Government is for Kenyans and, a Government is just a Government. The individuals who commit offences in any Government, whether it is called NARC, *Sufuria*, KANU, or if the person committed the offence during the colonial days and died, we should handcuff the grave. We must hold the individuals who loot our country responsible even if they are dead. A Government can be of any party that can garner the majority votes.

For Example, Mr. Deputy Speaker, Sir, I know you are in ODM(K) and you are thinking that you are going to beat us in the coming general elections, whereas we are also working hard to beat you. So, whether we form the next Government or ODM(K) forms it, we are all part of the population of this country and we should not exonerate any individual who steals. So, we would like the law to be explicit that if you steal from any Government, whatever it was called--- Actually, Mzee Kenyatta and Mr. Moi never had any governments. Mr. Kibaki does not also have any Government. They are just leaders of the Government at a particular time and there are officers in that Government.

Mr. Deputy Speaker, Sir, today you are the Deputy Speaker, and maybe in next Parliament, you will be the Speaker. The Government is continual. So, anybody who committed an offence under whatever Government, we will follow him or her and bar them from holding any public office. It is high time - I support minimum reforms - that we put things in order. This National Assembly should become supreme. When we summon somebody whether he is a billionaire and the poorest Member of Parliament is asking him questions, he or she would respect him because he or she has been constitutionally mandated by Kenyans to be a Member of Parliament.

How sweet it is to be a Member of Parliament! I fought for my seat for 30 years and I feel so nice to be a Member of Parliament. It is not easy. It is so painful like the way a woman labours to give birth to a baby. I waited to be a Member of Parliament for 30 years and I am really committed to faithfully serving this country and my people. God help this Parliament. God help my colleagues. God help our country and long live Kenya.

Thank you.

Mr. Deputy Speaker: Well done, Mr. Kimathi, do not under-rate yourself, you have done very well. You have brought very important points. Thank you.

Mr. Sungu: Mr. Deputy Speaker, Sir, thank you for allowing me to make a few comments on the Report of the PIC. Allow me to join other hon. Members who have spoken before me in thanking Members of this Committee, particularly the Chairman for being so consistent. Some of the issues brought forward in this Report are so clear and evident that we really need not to over-do it.

Mr. Deputy Speaker, Sir, the Chairman, mentioned something that is so important. That Kenya Airports Authority (KAA) had a contract valued at Kshs800 million and that was later varied to about Kshs10 billion. In any language, a variation should and ought to be a percentage of

the contract sum and not something so large that it should have been re-tendered afresh. That is obvious corruption. What we have here is a variation of 125 per cent from the original contract sum insured. That is really serious.

Mr. Deputy Speaker, Sir, the other item that I wanted to mention is that as a Parliament, we have been very visionary under the able leadership of both Mr. Speaker, his Deputy and the Commissioners. We have done very well. It is high time that we brought the accounts of these corporations up to date. We are dealing with accounts of 1998/1999, 2000/2001 or 2001/2002. That is about seven years late. Some of those problems could be solved if we were to debate them timely so that some of the people who are involved can be interdicted, prosecuted and any other action taken against them when they are still in office. As we talk now, most of those who are being referred to here have already left office. I hope that one day we will find a way in which we can make this up to date.

Mr. Deputy Speaker, Sir, the Report is a litany of corruption, abuse of office, mismanagement, pure rapping and looting of State corporations. This is my tenth year in this Parliament and what worries me is that year in, year out, we debate the reports of PIC and PAC which are the watchdog Committees of this House, and these reports indict specific people who are named and no action is ever taken against them. Instead, some are even promoted or given more lucrative jobs. Some are sent overseas as ambassadors. I can name some of those individuals because I have sat in this Committee. It is a shame to us. Parliament should and can never be taken in vain because this Parliament represents the people of this country. Whatever Parliament says and approves, should be the word of law because we make laws in this country. Therefore, when a Committee of this House makes a Report and it is adopted and then there is no response whatsoever from the Government or the Attorney-General, all we have is a Treasury Memorandum. That, in my opinion, is a shame to this country. It is time the Ninth Parliament became serious and took positive steps to stop this morass. This power is in our hands. We can start a Committee that can make sure that whatever is reported, confirmed and accepted by this House is implemented. We need not wait for the Attorney-General to sit on his laurels, smiling all along, and yet when somebody steals chicken, he goes in for seven years. Somebody who steals a mango goes in for seven years, and when somebody steals so much money that can help the economy, you find this guy goes scot free and nothing ever happens.

Mr. Temporary Deputy Speaker, Sir, if you look at some of the items mentioned in the Treasury Memorandum, it is painful to me that we have some of these things lying in the shelves, and you find that a report will say what has happened; it has stated the offence that has been committed, and has made a recommendation. For example, the very first time, it is talking about the Kenya National Trading Corporation (KNTC). It says the Committee recommends that in view of the fact that the corporation is commercially viable and technically insolvent, it should be wound up, yet the Treasury says that they want to restructure it. That kind of thing is unacceptable. It means, therefore, that, in fact, the Treasury thinks it is above Parliament, and that is not acceptable.

Other sections, for example, recovery of monies owed, that has been proved to have been stolen by various individuals, for example, in the case of the same organisation at page 5 of the Treasury Memorandum, the Committee recommended that the Chief Executive should liaise with the Attorney-General with a view to preferring criminal charges against Mr. Joseph Manga Mugwe, Wilson Gachanja, former Commissioner of Lands, Pascal Kiragu Mugwe, Mr. Paul Kipkilel Magut, the then Budget Director and Ms. Grace Adera, the then Company Secretary, for the running and transferring those parcels of land without the board's approval. The status indicates that the Attorney-General had been requested by the Treasury to take appropriate action. At the time of going to print, the Attorney-General had not responded as regards the implementation status of this matter. If the Attorney-General was a serious person, he would

resign. This proves beyond reasonable doubt that he is incapable of carrying out the duties that we have given him under the Constitution of this Republic. When a whole Parliament of the Republic of Kenya recommends something, he does not take any action. That, to me, is a shame to this nation. It serves no purpose to refer to all these things that are in this report and the Treasury Memorandum. But one thing that stands out is that we, as a Parliament, must now come out clearly and give direction to this nation.

Mr. Deputy Speaker, Sir, if it is necessary to make new laws, let us make them. But even the Standing Orders, the Powers and Privileges Committee and other Committees can make sure that whatever Parliament recommends is carried out by the Executive.

With those few words, I wish to support.

Mr. Deputy Speaker: All right; we have to go to this side now; Mr. Mungatana!

The Assistant Minister for Justice and Constitutional Affairs (Mr. Mungatana): Mr. Deputy Speaker, Sir, I want to thank you for giving me this opportunity to speak, having requested to do so on behalf of Government to respond to some of the issues that have been raised by our Members.

First and foremost, I would like to record my appreciation for a job well done by the Chairman of the Public Investments Committee, the hon. J.B. Muturi, the Vice-Chairman, Wafula Wamunyinyi, and the entire team. They were given a mandate to examine the reports and accounts of public investments, and to see whether public investments, basically the parastatals, are being managed in accordance with proper and sound business principles, and prudent commercial principles. I think they have excelled in carrying out that mandate.

What I have observed on behalf of the Government is that, many issues have been raised with regard to public investments that were made in 1999 and before. What one notices - and it is a fact - is that, a lot has changed since that time. I want to submit to hon. Members that we have made various changes in terms of policy and approach towards the management of public institutions. Those institutions will be happy to learn that we have taken care of most of their concerns.

Mr. Deputy Speaker, Sir, one of the areas that this Report has dwelt on, to a large extent--- It has enumerated various incidents of irregular disposal of land belonging to state corporations. I entirely agree with this Report with regard to what has been enumerated here on the Kenya National Trading Corporation (KNTC), the amounts of land parcels that were sold irregularly and the recommendations that followed. Hon. Members will be happy to note that, having learnt from the experience of previous administrations and, of course, from many recommendations that have been preferred by this Committee and other Committees of Parliament--- Indeed, having had the benefit of hon. Members putting in their recommendations in various committees and task forces that were set up by the Ministry of Lands, a new policy on land has come up. Indeed, it will now not be possible for a corporation like KNTC or any other corporation in this Republic to dispose off its properties at a throwaway price.

Mr. Deputy Speaker, Sir, indeed, we hope that when the new land policy comes to this House, the law that we will be put in place will prevent any such malpractices from taking place. Hon. Members will be happy to note that, principally, action is being taken at the policy level to prevent those malpractices from recurring in the current Government or in other governments that will come in future.

Mr. Deputy Speaker, Sir, in the same breath, I would urge hon. Members, when we finally bring the policy and law that will set up the tone for future and sound economic management of the asset called land in this country, whether held by corporations of the State or by the State itself, it will be properly utilised to the satisfaction of Parliament.

Mr. Deputy Speaker, Sir, one other area that has featured tremendously in this Report is the

escalation of construction costs and escalation and variation of tender sums. That has been pointed out very well by Mr. Sungu, who has enumerated one instance. Other hon. Members have enumerated other instances where, although the provision for variation of tender sums covers only up to 10 per cent, what has been happening, according to this Report, has been outright misappropriation of public funds. Hon. Members will be happy to learn that all parastatal chiefs involved in misappropriation of public funds will be prosecuted. These things will not happen again.

Mr. Deputy Speaker, Sir, the House will also be happy to learn that all parastatal chiefs are now on performance contracts. They are supposed to manage our public investment in a prudent manner and earn profit. There is no way, under the current Government, that there could be a variation of a tender sum to the tune in excess of ten per cent and the managing directors get away with it. As a result of the performance contracts we have put in place, we will ensure that public investments are well taken care of.

Mr. Deputy Speaker, Sir, the Public Procurement and Disposal Act is among the very many achievements passed by the 9th Parliament. Now, we have a law that will prevent any greedy-mouth appointed to positions of authority from engaging in malpractices in tendering or procurement of services on behalf of the public.

Mr. Deputy Speaker, Sir, hon. Members will be happy to know that even the Treasury has put up guidelines in terms of mid-term performance and implementation of budgetary lines. We are sure that none of the parastatals, keeping to these mid-term budgets, will be involved in misappropriation of public funds to the benefit of a few individuals.

Mr. Deputy Speaker, Sir, many hon. Members who have contributed to this Motion have talked at length about the failure of the Attorney-General to take action against people who misappropriate public funds. Many times, the Treasury or the Government has asked the Attorney-General to investigate and take action. However, he has not responded to some investigations or taken action. Parliament, through its report, has voiced its total unhappiness with that state of affairs. We have taken that into consideration and will make sure that it changes.

Mr. Deputy Speaker, Sir, at the same time, we would want the House to assist us in these matters. We have the Attorney-General who has security of tenure. Maybe, there are some things that need to be looked into afresh in creating some of the laws. This is particularly the case with the Constitution that we will be debating in this House. We need to see what should be done to exert pressure where necessary. We should make sure that action is taken when this House says so.

Mr. Deputy Speaker, Sir, we have also heard a clear insinuation that there has been misappropriation of public funds in the past. It has grown from millions of shillings to billions of shillings in the current administration. I would want to state that nothing is further from the truth. I would urge hon. Members to give credit for purposes of this Report; there was a lot of misappropriation. However, as I have said, we, as the Government, have learnt from our past mistakes.

Mr. Deputy Speaker, Sir, we have learnt that without proper laws, proper structures and administrative controls, we cannot function as a country. So, we have embarked on a lot of changes which, as hon. Members know, having participated together this year in putting in place the correct laws and administrative controls, the Government has been able to tidy up some of the losses that we were incurring. Public tendering, as I have said, is now truly transparent. We are also improving on what we now have. Revenue collection has increased because we have tidied up some of the loose ends.

What we are saying is that it is not correct, because the House must give credit for the fact that changes have taken place; the Government has made progress. Indeed, that is why we are able to raise our revenue collection from Kshs140 billion, which we inherited from the previous regime,

to close to Kshs500 billion per annum today.

So, my prayer to this House is that we need to take responsibility as a House, in the sense that we serve a higher ideal. As a House, we are the ideal of the entire country. The Government supports some of the suggestions that have been made. For instance, the suggestion made by Mr. Muchiri Gachara that, maybe, we need to make the Public Investments Committee hearings public. I wholly support that suggestion. The Government would support the suggestion, because some of these people were holding public offices. If they appear before Committee proceedings that are televised, so that it can be seen that they have big tummies because they are thieves, in future, even our children who watch such proceedings, will fear to associate themselves with fathers who are thieves.

Mr. Osundwa: Even mothers!

The Assistant Minister for Justice and Constitutional Affairs (Mr. Mungatana): I do not know whether mothers also fall in that category.

Prof. Oniang'o: They are not!

The Minister for Justice and Constitutional Affairs (Mr. Mungatana): I think so. They are not.

However, if this public odium and contempt can be made clear, then it would help all of us. In fact, there was a call by an hon. Member here that--

Mr. Osundwa: On a point of information, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Mr. Mungatana, do you want to be informed by Mr. Osundwa?

The Assistant Minister for Justice and Constitutional Affairs (Mr. Mungatana): Yes, Mr. Deputy Speaker, Sir.

Mr. Osundwa: Mr. Deputy Speaker, Sir, I wanted to inform the hon. Member that there was one lady by the name of Margaret Gachara, who stole money meant for HIV/AIDS awareness campaign.

The Assistant Minister for Local Government (Mr. Muchiri): On a point of information, Mr. Deputy Speaker, Sir. Indeed, there was a Mrs. Margaret Gachara, whom I have no relation with.

Thank you.

(Laughter)

The Assistant Minister for Justice and Constitutional Affairs (Mr. Mungatana): Mr. Deputy Speaker, Sir, I am thankful for the information that we have been given.

An hon. Member: But it was only one woman!

The Assistant Minister for Justice and Constitutional Affairs (Mr. Mungatana): Mr. Temporary Deputy Speaker, Sir, I am happy to note that it was only one woman.

I was saying that if the public is able to see, on television, the people who were involved in theft, or misappropriation of public resources, during proceedings of the PIC, then we will develop a culture, even among our youth, who are up-coming to fill these positions, of wanting to reject ill-gotten wealth and such people. A point has been made that some people here have been named in Parliamentary Reports but they still present themselves as Members of Parliament. They have gone through the nomination process, and their nomination papers have been accepted by the Electoral Commission of Kenya (ECK), but how many people out there, really, know about these Reports?

If a Member of Parliament, or a prospective Member of Parliament, was seen last year being grilled on national television, or was heard on radio, being grilled about possible theft of public funds, he will not even dare present his nomination papers to the ECK. I want to agree with

those hon. Members who have called for change, at the very least, of the rules of this House. If we cannot go public on everything else, then, at least, the PIC and Public Accounts Committee proceedings should be prioritised to go public, so that we can create a culture of honesty in this country.

Mr. Deputy Speaker, Sir, again, I would like to say that we need to set up the implementation committee of the recommendations of this House, of course, with a rider, that we should not take over the work of the Executive. But I am sure that the House, which has the oversight responsibility, can find a way of creating this implementation committee which will collaborate with the Executive, so that we can get results. This is because, in the final analysis, it is not about fighting for space or who holds what powers, under the separation of powers doctrine, but it is about getting results for this country.

Mr. Deputy Speaker, Sir, I would like to say that the Government supports this Report, and it will carry out the implementation of the recommendations. In fact, as you will notice from the implementation status of the 13th Report that is being debated together with the 14th Report of the Public Investments Committee (PIC), indeed, there is a will by the Treasury and Government, to make some definite implementation. We have started with some of them, and we will finish some of the things that are pending.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to support.

Mr. Deputy Speaker: Thank you! There are two hon. Members who want to speak and we have just about 22 minutes before the House rises. So, I will give the first chance to hon. Bahari. I hope you will give some time to hon. Angwenyi.

Proceed!

Mr. Bahari: Thank you, Mr. Deputy Speaker, Sir. I can assure you that I will speak very briefly and give time to my colleague, hon. Angwenyi, to contribute. Mr. Deputy Speaker, Sir, first and foremost, I want to thank the PIC for doing a very splendid job. Year in, year out, we must have seen some voluminous reports of the PIC. I am sure it has actually carried out its mandate given by this House.

Mr. Deputy Speaker, Sir, many hon. Members here have positively talked about this Report. But I want to emphasize a few issues that have been, perhaps, touched on. One of them is about the public hearing. Even young countries or parliaments, like the parliaments of Namibia and Rwanda, have public hearings of their public accounts and public investments committees. The citizens of this country, like hon. Mungatana said, will see for themselves and easily follow, live, those debates and interviews. They will also go to the galleries and see for themselves what happens.

But as we prepare ourselves to do that, because we cannot afford to keep some of these things in privacy, I can assure hon. Mungatana that the chief executives of state corporations, who have appeared before the PIC, know what it means to do so. They normally come the second time when they are well-prepared, because they know what kind of Members of Parliament they meet there, and what kind of cross-examination they go through. That is one of the reasons why, as a Member of the Committee, I want to congratulate the Committee for the role it has played. I can assure this House that the PIC is a very thorough Committee, and that is why it is able to bring out a number of issues. I want to assure hon. Mungatana that the Public Investments Committee (PIC) plays a very, very critical role in that, it actually helps the Executive to make sure that the chief executive officers run those organizations properly in the first instance.

But, Mr. Deputy Speaker, Sir, I want to call upon the parent Ministries so that we have less and less of these problems, to ensure that they play their rightful roles. We need to tackle some of these problems at the source; at the board level and chief executive level when we are appointing them; at the management level, then at the parent Ministry level to make sure that the parent

Ministry actually properly supervises the parastatals under that Ministry. In the past, the parent Ministries look like they are wishy-washy when it comes to handling the affairs of State Corporations under them. They will only go there when they need Harambees or, perhaps when they need employment and those kind of things, and they are not concerned about their prudent management.

I am pleased that the Government has, at least, put in place certain measures to ensure that State Corporations perform, and those performance measures must be strictly followed as a control instrument. It should be the parent Ministry, not necessarily the State Corporation's body that whatever--- But the parent Ministry must ensure that whatever performance measurement standards they have put in place or instruments they have put in place are adhered to and that they are objectively designed in the first instance. We do not want to see a situation where, perhaps, those objectives are laid out in a manner that is very easy for anybody to achieve.

Mr. Deputy Speaker, Sir, the other issue is about, perhaps, the role of the Attorney-General. If you look through that Report, you will realize that the Attorney-General is really required to come and ensure that he plays his rightful role. That office in the past has not handled those issues properly; litigation matters, and it is important that the Attorney-General does that because there are a lot of issues that require him to come in and make sure that those who are responsible for misappropriation of funds are brought to book.

Mr. Deputy Speaker, Sir, the issue of procurement is one of the key issues. I think---

Mr. Deputy Speaker: Order, Mr. Bahari! I would like to cut you short because I have received a notice of a proposed amendment to the Motion, and I have very short time. Therefore, can I ask that you conclude so that I can invite Dr. Rutto to move his amendment?

Mr. Bahari: Mr. Deputy Speaker, Sir, I would only add that, perhaps, State Corporations must stick to their core functions, and that it is the role of the Ministry to make sure that they supervise.

With those few remarks, I beg to support.

Mr. Deputy Speaker: Hon. Members, I have received---

Mr. Angwenyi: Thank you very much, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order, Mr. Angwenyi!

(Laughter)

I have received a notice for a proposed amendment by Dr. Rutto, and I want to ask him to move it.

Dr. Rutto: Thank you, Mr. Deputy Speaker, Sir. I beg to move the following amendment to the Motion---

(Dr. Rutto's mobile phone rang)

Hon. Members: Out! Out!

Mr. Deputy Speaker: Order, Dr. Rutto! Really, you cannot hide because I saw and heard!

(Laughter)

An hon. Member: Apologise!

Dr. Rutto: I apologise to the House and to the Chair.

Mr. Deputy Speaker: Continue!

Dr. Rutto: Mr. Deputy Speaker, Sir, I beg to move the following amendment to the main

Motion:-

THAT, the Motion be amended by deleting the full stop at the end and adding the following words:---

The main Motion reads:

THAT, this House adopts the Fourteenth Report of the Public Investments Committee on the Accounts of State Corporations Vol.1 and the Treasury Memorandum on the Implementation Status of the Thirteenth Report of the Public Investments Committee on the Accounts of State Corporations Vol.II laid on the Table of the House on Tuesday, 8th May, 2007.

I am saying that, that full stop should be deleted and the following words be added: "Subject to the following amendment; this House asks the Attorney-General to act on the file with the view to concluding the matter" appearing on page 63. The words should be deleted and the words "the matter be closed" be inserted in place thereof.

On page 63, the Committee had recommended that the Kenya Anti-Corruption Committee (KACC) investigate the award of contracts to the consultancy firm, Njaga Consultants. At the top of page 63, there is an explanation to the recommendation by the Committee. I am requesting the House to---

(Mr. Angwenyi consulted loudly)

Please, allow me to talk!

Mr. Deputy Speaker: Mr. Angwenyi, please hold your horse!

Mr. Sungu: On a point of order, Mr. Deputy Speaker, Sir. As a matter of procedure and under Standing Orders, I want to submit to you that if there was any amendment, there should have been proper notice, first.

Secondly, in fact, he cannot amend the Motion because that is going to go against the original Motion as it was. However, he can amend the Report. So, he cannot go to the original Motion to amend it but he can go to the Report to amend it, subject to putting the Question to the House.

Mr. Deputy Speaker: Yes, I think that is what the hon. Member is--- First of all, the notice was given early enough. There is no question about that! However, I think the hon. Member is attempting to alter a paragraph of the Report.

In other words, removing certain words and replacing thereof. I think that is what we want to do. So, could you do it quickly because we do not have a lot of time?

Dr. Rutto: Mr. Deputy Speaker, Sir, I will go back to page 63 of the Report and agree with you that I am amending some content of the Report, specifically, the paragraph on page 63.

The KACC has since carried out that investigation and the Kenya Gazette Notice of 13th April, 2007, clears Njaga Consultants. In effect---

Mr. Deputy Speaker: Which words would you like us to replace? You have not told us, in page 63, we delete and then we add what?

Dr. Rutto: Mr. Deputy Speaker, Sir, that is what I am coming to. The sentence which says:-

"While taking cognisance of the Report by the KACC, the Committee, therefore, recommends that this House asks the Attorney-General to act on the file with view to concluding the matter."

I wish to replace or to ask the House to delete the words "this House asks the Attorney-General to act on the file with view to concluding the matter" with the following words:-

-- the matter be closed."

It will, therefore, read: "The Committee, therefore, recommend that the matter be closed."

Mr. Deputy Speaker: Very well!

Dr. Rutto: Mr. Deputy Speaker, Sir, you can contribute.

Mr. Deputy Speaker: Is that it?

Dr. Rutto: Yes, Mr. Deputy Speaker, Sir---

Mr. Sungu: On a point of order, Mr. Deputy Speaker, Sir. With respect to the Chair, I would like your guidance on this matter because I find it very irregular, indeed, that we want to amend part of this Report from the Motion. If you are amending the Motion, that should have come at the very beginning.

Mr. Deputy Speaker, Sir, secondly, in fact, the hon. Member, who is attempting to amend this Report, was a Member of this Committee. He should have proposed this amendment when they were writing the Report. We believe and hope that this Report was agreed to by Members of that Committee before it was brought before this honourable House.

Mr. Deputy Speaker: Mr. Sungu, you know an hon. Member can move an amendment to expunge or remove certain words in this Report. He can say, for instance, that the following words or paragraphs be expunged from the Report or be replaced.

Dr. Rutto, having been a Member of the Committee, that is new information to me. Did you put a minority view on that matter?

Dr. Rutto: Mr. Deputy Speaker, Sir, I did so. By the time we went to write the Report---

Mr. Wamunyinyi: On a point of order, Mr. Deputy Speaker, Sir.

Dr. Rutto: Allow me to talk!

Mr. Deputy Speaker: Hon. Members, this is a very simple matter. Let me hear the seconding and then I will put the question.

Mr. Muchiri, could you, please, second the amendment now?

The Assistant Minister for Local Government (Mr. Muchiri): Mr. Deputy Speaker, Sir, I wish to second the amendment. This country believes in the separation of powers. We are talking of Civil Case No.2931 of 1997 and the matter went to the High Court. It was later taken before the Court of Appeal. Therefore, I support the amendment on the premise. Since this matter has gone to the highest court in the land, there is, therefore, no point of seeking the advice of the Attorney-General on the matter because it is less *judicata*. It was dealt with by the court and finalised. Under the doctrine of separation of powers, Parliament cannot, perhaps, indulge itself to entertain the revival of the matter.

Mr. Deputy Speaker, Sir, simply for that reason, I do second.

Mr. Maore: On a point of order, Mr. Deputy Speaker, Sir. I still want to pursue the line that the Chair has raised about the Mover of the amendment. I would like to confirm whether the dissent was recorded. If it was, then we are okay.

Dr. Rutto: Mr. Deputy Speaker, Sir, I did object and I registered my minority objection.

Mr. Deputy Speaker: Is it recorded in the Report?

Dr. Rutto: Mr. Deputy Speaker, Sir, it was recorded in the HANSARD. I do not know why it does not appear anywhere in the Report.

Mr. Deputy Speaker: Why do you not allow me to dispose of this matter very quickly? I do not even know how to go about reading this amendment.

(Question of the first part of the amendment, that the words to be left out be left out, proposed)

Mr. Sungu: Mr. Speaker, Sir, first of all, I would like to say that, in fact, procedurally, we cannot amend this Motion because the way it is being amended goes against the very original spirit of the Motion and, therefore, is negated and falls flat on its face.

Secondly, this matter or question of the Judiciary being above Parliament is out of the question. Parliament makes laws and recommendations. It can make any law on anything on earth and it is subject to interpretation by the courts.

Mr. Deputy Speaker, Sir, thirdly, this matter came to the Committee when I was there. The hon. Member they are talking about on page 63 of the Report is an hon. Member of this House. He is the Managing Director of Jaggar Investments. I wonder what went wrong in this Committee that a Member of the same Committee comes to amend what is in the Report and there is no minority report indicated.

Mr. Deputy Speaker, Sir, as I talk now, I have chaired a Committee of which some people dissented. They refused to sign and they put their dissent in writing. That is the normal procedure of Parliament. Therefore, I oppose this amendment on the ground that it is unprocedural and that, in fact, this hon. Member should actually declare his interest in this matter.

Mr. Deputy Speaker: I will not give a lot of time for debate on that issue. What the hon. Member wants done is to delete or expunge certain words on page 63 and it is his own right that the words be expunged and replaced with the words: "The matter be closed," instead of "the Attorney-General" investigating. That is what the hon. Member has asked. Therefore, I put the Question.

*(Question of the first part of the amendment,
that the words to be left out
be left out, put and negatived)*

(Debate on the original Motion resumed)

Mr. Wamunyinyi: On a point of order, Mr. Deputy Speaker, Sir. I would like to call upon the Mover of the Motion to reply in view of the time that we have had to debate the Motion.

Mr. Deputy Speaker: Mr. Wamunyinyi, the best way is to ask whether the Chair could allow the Mover to respond. When you say: "I would like to ask the Mover to respond---"

Mr. Wamunyinyi: Mr. Deputy Speaker, Sir, thank you very much for your correction. I am asking the Chair to allow the Mover to reply.

Mr. Deputy Speaker: I would put it to you.

*(Question, that the Mover be now
called upon to reply,
put and agreed to)*

Mr. Muturi: Mr. Deputy Speaker, Sir, thank you for giving me this opportunity. I must say that I am gratified by the support that has come for the Motion from both sides of the House and also for the assurances that the Responder from the Government side, Mr. Mungatana gave to this House on implementation of this Report.

With those few remarks, I beg to move.

(Question put and agreed to)

ADJOURNMENT

Mr. Deputy Speaker: Hon. Members, it is now time for the interruption of business. The House, therefore, stands adjourned until 17th May, 2007 at 2.30 p.m.

The House rose at 6.30 p.m.