



REPUBLIC OF KENYA

THE SENATE

ELEVENTH PARLIAMENT – THIRD SESSION

VOTES AND PROCEEDINGS

WEDNESDAY, JULY 15, 2015 AT 2.30 P.M.

1. The Senate assembled at thirty minutes past Two O'clock.
2. The Proceedings were opened with Prayer.
3. **COMMUNICATION FROM THE CHAIR ON A CONSENSUS BUILDING WORKSHOP ON SUITABLE PENSION SCHEME FOR EMPLOYEES OF COUNTY GOVERNMENTS**

The Speaker conveyed the following communication from the Chair-

"Honorable Senators,

I would like to make an announcement relating to a conference that has been organized by the Standing Committee on Labour and Social Welfare to deliberate on the County Retirement Scheme Bill (Senate Bill No. 25 of 2014).

As you may recall, the County Retirement Scheme Bill, (Senate Bill No. 25 of 2014) was read a First Time in this House on Wednesday, 6th August, 2014 and it was committed to the Standing Committee on Labour and Social Welfare for consideration, pursuant to standing order 130 of the Senate Standing Orders.

The Committee identified and invited the following stakeholders to make written or oral submissions on the Bill:

- 1) Senate Standing Committee on Finance, Commerce and Budget;
- 2) National Treasury (Pensions Department);
- 3) Retirement Benefits Authority (RBA);
- 4) LAP Trust;
- 5) LAP Fund;
- 6) Transition Authority;
- 7) Salaries and Remuneration Commission;
- 8) Council of Governors;
- 9) Commission for the Implementation of the Constitution (CIC);

- 10) County Public Service Boards Forum;
- 11) Government Workers Union (KCGWU);

Honorable Senators, at the stakeholder consultative meetings, it was noted that-

1. County government employees were concerned that the Senate had delayed in merging the two schemes (LAP Trust and LAP Fund) leading to concern over the security of the employees' savings;
2. Some county governments had not been remitting their employees' monthly contributions to the schemes, as there was no clear direction on where to remit the monies;
3. There will be a large number of county staffers retiring in the year 2016 and unless this matter is resolved these staffers might end losing part of their pension;
4. The county pension scheme for county staffers had become highly politicized and there is need for objectivity and broad consensus in its consideration.

Arising from the above, the Standing Committee on Labour and Social Welfare, has organized to hold a one day conference to build consensus on a suitable pension scheme for all employees of counties. The conference will be held at the Boma Hotel, Nairobi, on Friday, 17th July, 2015 from 9.00 am.

Honourable Senators,

We owe it to all the employees of counties to enact a law that will establish a suitable framework to safeguard their savings and assure them of a dignified retirement. This is to therefore request you to find time to attend this conference. Additional information on this event may be obtained from the Office of the Clerk.

I thank you."

4. PAPERS LAID

The following Papers were laid on the Table of the House-

- i) Report of the Auditor General on the Financial operations of Migori County Executive and Migori County Assembly for the Sixteen (16) months period ended 30th June, 2014;
- ii) Report of the Auditor General on the Financial operations of Homa-Bay County Executive and Homa-Bay County Assembly for the Sixteen (16) months period ended 30th June, 2014; and
- iii) Report of the Auditor General on the Financial operations of Nyamira County Executive and Nyamira County Assembly for the Sixteen (16) months period ended 30th June, 2014.

(Chairperson, Sessional Committee on County Public Accounts and Investments)

- iv) Estimates of the recurrent and Development Expenditure of the Parliamentary Service Commission for the year ending 30th June, 2016 and projections for 2016/2017-2018.

(Sen. David Musila)

5. STATEMENT PURSUANT TO STANDING ORDER 45 (2) (b)

The Chairperson of the Standing Committee on Finance, Commerce and Budget issued a statement regarding the recent policy announcement by the Cabinet Secretary for the National Treasury to upscale the minimum capital requirements for commercial banks to Kshs. 5 billion.

The Chairperson informed the Senate that the policy announcement was informed by, among others, the need to have strong and well capitalized banks which are able to withstand shocks or financial crises, as well as to finance projects and activities requiring large capital outlays as envisioned in Kenya's Vision **2030**. The resolution was also in implementation of a resolution by the East African Community's (EAC) Monetary Affairs Committee requiring all EAC Partner States' Central Banks to increase their core capital to 10 per cent of monetary liabilities. This is meant to cushion central banks against possible capital erosion or impairment from sudden shocks from operational deficits, which would threaten their independence.

The Chairperson further informed the Senate that the policy statement was part of the Budget Statement which had been subjected to public participation in accordance with the Constitution and the Public Finance Management Act. The Senate was further informed that 21 commercial banks already have a core capital of over Kshs. 5 billion, and that the remaining 23 commercial banks would be required to upscale their core capital gradually to Kshs. 5 billion by December 2018.

The Chairperson assured the Senate that this requirement only affected commercial banks and did not extend to microfinance institutions and SACCOS, and that judging by the number of banks that have already met the requirement, the policy was not expected to create any monopoly or dominant player in the financial services sector.

6. THE COUNTY RETIREMENT SCHEME BILL (SENATE BILL NO. 25 OF 2014)

Order for Second Reading read;

Motion made and Question proposed –

That the County Retirement Scheme Bill (Senate Bill No. 25 of 2014) be read a second time.

(Sen. (Prof.) Kithure Kindiki – 08.07.2015)

Order deferred.

7. THE COUNTY HALL OF FAME BILL (SENATE BILL NO. 33 OF 2014)

Order for Second Reading read;

Motion made and Question proposed –

That, the County Hall of Fame Bill (Senate Bill No. 33 of 2014) be read a second time.

(Vice Chairperson, Standing Committee on Legal Affairs and Human Rights – 01.07.2015)

Debate interrupted on Tuesday, 14th July, 2015, resumed on a Division;

The House proceeded to a Division;

The Speaker directed that electronic voting be taken pursuant to Standing Order 74 (1) and that the division bell be rung for two minutes;

After the expiry of two minutes, the Speaker directed that the doors be locked and Senators asked to log-in using their cards;

The Speaker put the Question and directed Senators to cast their votes by pressing either the **“Yes”**, **“No”** or **“Abstain”** button;

Before the results of the Division were announced and pursuant to provisions of Standing Order 74 (5), the Speaker allowed two Senators to record their vote verbally.

Thereupon, the following Senators recorded their votes as **“Yes”**-

1. Sen. Chelule Liza - on behalf of Nakuru County delegation
2. Sen. Karaba Dickson Daniel

Following the Division, Question agreed to.

The results of the Division were as follows-

AYES - 25

NOES - 0

ABSTENTIONS – 0

AYES

1. Sen. Billow Adan Kerrow
2. Sen. Chelule Liza – voted verbally on behalf of Nakuru County delegation
3. Sen. Haji Mohamed Yusuf
4. Sen. Hassan Omar Hassan
5. Sen. Kajwang Moses
6. Sen. Karaba Dickson Daniel – voted verbally
7. Sen. Khalwale Boni
8. Sen. Khaniri George
9. Sen. Kilonzo Mutula Junior

10. Sen. Kimani Paul Wamatangi
11. Sen. Leshore Sammy Prisa
12. Sen. Machage Wilfred Gisuka
13. Sen. Madzayo Stewart Mwachiru
14. Sen. Melly Isaac Kipkemboi
15. Sen. Mohamud Halima Abdille - on behalf of Wajir County delegation
16. Sen. Mugo Beth Wambui – on behalf of Nairobi City County delegation
17. Sen. Muriuki Karue Muriuki
18. Sen. Musila David
19. Sen. Muthama Johnson Nduya
20. Sen. Ndiema Henry Tiole
21. Sen. Ntutu Stephen Kanyinke
22. Sen. Obure Christopher Mogere
23. Sen. Okong'o Kennedy Mong'are
24. Sen. Orengo James
25. Sen. Sang Stephen Kipyego

Bill read a Second Time and passed.

8. COMMITTEE OF THE WHOLE

IN THE COMMITTEE

(The Acting Chairperson of Committees (Sen. (Dr.) Machage – in the Chair)

The Public Appointments (County Assembly Approval) Bill (Senate Bill No. 20 of 2014)

Progress Report

Motion made-

THAT, the Committee of the whole House do report progress and seek leave to sit again tomorrow.

(Chairperson, Standing Committee on Labour and Social Welfare)

Before the question was put and pursuant to Standing Order 72, the Acting Chairperson (Sen. (Dr.) Machage) ruled that the question did not affect counties;

Question put and agreed to.

9. HOUSE RESUMED - (Temporary Speaker - (Sen. (Dr.) Machage) - in the Chair)

10. THE PUBLIC APPOINTMENTS (COUNTY ASSEMBLY APPROVAL) BILL (SENATE BILL NO. 20 OF 2014)

Progress Reported.

Motion made and Question proposed-

THAT, the House do agree with the Committee in the said Report.
(*Chairperson, Standing Committee on Labour and Social Welfare*)

There being no other Senator willing to contribute;

Before the question was put and pursuant to Standing Order 72, the Temporary Speaker (Sen. (Dr.) Machage) ruled that the question did not affect counties;

Question put and agreed to.

11. COMMITTEE OF THE WHOLE

IN THE COMMITTEE

(The Acting Chairperson of Committees (Sen. (Dr.) Machage – in the Chair)

The County Early Childhood Education Bill (Senate Bill No. 32 of 2014)

Progress Report

Motion made-

THAT, the Committee of the whole House do report progress and seek leave to sit again tomorrow.
(*Vice-Chairperson, Standing Committee on Education*)

Before the question was put and pursuant to Standing Order 72, the Acting Chairperson (Sen. (Dr.) Machage) ruled that the question did not affect counties;

Question put and agreed to.

12. HOUSE RESUMED - (Temporary Speaker - (Sen. Ongoro - in the Chair)

13. THE COUNTY EARLY CHILDHOOD EDUCATION BILL (SENATE BILL NO. 32 OF 2014)

Progress Reported.

Motion made and Question proposed-

THAT, the House do agree with the Committee in the said Report.
(*Vice-Chairperson, Standing Committee on Education*)

There being no other Senator willing to contribute;

Before the question was put and pursuant to Standing Order 72, the Temporary Speaker (Sen. Ongoro) ruled that the question did not affect counties;

Question put and agreed to.

14. COMMITTEE OF THE WHOLE

IN THE COMMITTEE

(The Acting Chairperson of Committees (Sen. (Dr.) Machage – in the Chair)

The Tobacco Control Regulations, 2014

Regulations 1-20

Question proposed;

That, Regulations 1-20 be approved

Progress Report

Motion made-

THAT, the Committee of the whole House do report progress and seek leave to sit again tomorrow.

(*Chairperson, Sessional Committee on Delegated Legislation*)

Before the question was put and pursuant to Standing Order 72, the Acting Chairperson (Sen. (Dr.) Machage) ruled that the question did not affect counties;

Question put and agreed to.

15. HOUSE RESUMED - (Temporary Speaker - (Sen. Ongoro - in the Chair)

16. **THE TOBACCO CONTROL REGULATIONS, 2014**

Progress Reported.

Motion made and Question proposed-

THAT, the House do agree with the Committee in the said Report.
(*Chairperson, Sessional Committee on Delegated Legislation*)

There being no other Senator willing to contribute;

Before the question was put and pursuant to Standing Order 72, the Temporary Speaker (Sen. Ongoro) ruled that the question did not affect counties;

Question put and agreed to.

17. **THE COUNTY ASSEMBLY SERVICES BILL (SENATE BILL NO. 27 OF 2014)**

Order for Second Reading read;

Motion made and Question proposed-

THAT, the County Assembly Services Bill (Senate Bill No. 27 of 2014) be now read a Second Time.
(*Vice-Chairperson, Standing Committee on Legal Affairs and Human Rights*)

Debate arising;

There being no other Senator willing to contribute;

Mover replied;

Raising a point of order, pursuant to Standing Order 54 (3), the Senator for Nandi County (Sen. Stephen Sang') requested the Speaker to defer putting of the question to another day;

And the Temporary Speaker (Sen. Ongoro) acceding to the request, deferred putting of the question to Wednesday, 22nd July, 2015.

18. **THE UNIVERSITIES (AMENDMENT) BILL (SENATE BILL NO. 31 OF 2014)**

Order for Second Reading read;

Motion made and Question proposed-

THAT, the Universities (Amendment) Bill (Senate Bill No. 31 of 2014) be now read a Second Time.

(*Sen. Halima Abdille*)

Debate arising;

And the time being thirty minutes past Six O'clock, the Temporary Speaker (Sen. Kipchumba Murkomen) adjourned the Senate without Question put, pursuant to the Standing Orders.

19. SENATE ROSE - at thirty minutes past Six O'clock.

MEMORANDUM

*The Speaker will take the Chair on
Thursday, July 16, 2015 at 2.30 p.m.*

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