



**REPUBLIC OF KENYA**

**ELEVENTH PARLIAMENT – (THIRD SESSION)**

**THE NATIONAL ASSEMBLY**

**VOTES AND PROCEEDINGS**

**TUESDAY, JUNE 23, 2015**

1. The House assembled at thirty minutes past two O'clock
2. The Proceedings were opened with Prayer
3. **PRESIDING** – the Deputy Speaker
4. **COMMUNICATION FROM THE CHAIR ON THE MANNER OF CONSIDERING A PRESIDENTIAL MEMORANDUM ON A BILL CONCERNING COUNTY GOVERNMENTS**

The Deputy Speaker conveyed the following Communication –

“Honourable Members, you will recall that on Tuesday, June 16, 2015, the Chair issued a guide on the manner of considering Presidential Memoranda on Bills concerning County Governments.

Article 115 of the Constitution requires that any amendment to the President’s recommendations or indeed a total rejection of the recommendations should be supported by a vote of at least two-thirds of the Members of the National Assembly.

In the consideration of Presidential Memoranda, the Constitution provides for three (3) possible outcomes from Parliament. These are –

- (i) Parliament may amend the Bill in light of the President’s reservation and recommendation;
- (ii) Parliament may pass the Bill a second time without amendment. This requires a simple majority in both Houses; or,
- (iii) Parliament may pass the Bill with amendments that do not fully accommodate the President’s reservations and recommendation.

The first and third outcomes require a vote supported by at least two-thirds of the Members of the National Assembly. This is 234 Members present in the House.

During Committee of the whole House, any amendment (that may involve deletion, insertion or substituting any of the words proposed by the President) or total rejection of any of the President’s reservations and recommendations should be subjected to the two-thirds majority requirement.

Thank you”.

5. PAPERS LAID

The following Papers were laid on the Table –

- (i) The Office of the Controller of Budget Third Quarter County Governments Budget Implementation Review Report for the 2014/2015 Financial Year.
- (ii) Annual Report and Financial Statements of the Salaries and Remuneration Commissioner for 2013/2014 Financial Year
- (iii) Annual Report and Financial Statements of the University of Nairobi for the year ended 30<sup>th</sup> June, 2014
- (iv) Annual Report and Financial Statements of Transition Authority for the year ended 30<sup>th</sup> June, 2014
- (v) Annual Report and Financial Statements of the Kenya National Bureau of Statistics for the year ended 30<sup>th</sup> June, 2014
- (vi) The Report of the Auditor General on the Financial Statements of the Kenya School of Monetary Studies for the year ended 30<sup>th</sup> June, 2014 and certificate; and,
- (vii) Annual Report and Financial Statements of the Kenya Reinsurance Corporation Ltd for the year ended 31<sup>st</sup> December, 2014

*(The Leader of the Majority Party)*

- (viii) The Report of the Departmental Committee on Finance, Planning and Trade on its consideration of H.E. the President's Memoranda on the Public Procurement & Asset Disposal Bill, 2014 and the Public Audit Bill, 2014

*(The Chairperson, Departmental Committee on Finance, Planning and Trade)*

- (ix) The Report of the Budget and Appropriations Committee on the Second Supplementary Budget for Financial Year 2014/2015

*(The Chairperson, Budget and Appropriations Committee)*

6. **NOTICE OF MOTION - REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE SECOND SUPPLEMENTARY BUDGET FOR THE FINANCIAL YEAR 2014/2015**

*(The Chairperson, Budget & Appropriations Committee)*

**THAT**, this House adopts the Report of the Budget and Appropriations Committee on the Second Supplementary Budget for the Financial Year 2014/2015 laid on the Table of the House on Tuesday, June 23, 2015 and:

- (i) pursuant to Article 223(5) of the Constitution, **approves** expenditure of 15% over and above the sum appropriated for FY 2014/2015; and
- (ii) further **approves** the issuance of a sum of **Ksh. 198,322,650,616** from the Consolidated Fund to meet the expenditure during the year ending 30<sup>th</sup> June 2015 in respect of the Votes, as indicated in the Schedule in the Report.

7. **PROCEDURAL MOTION – REDUCTION OF PUBLICATION PERIOD FOR A BILL**

Motion made and Question proposed –

THAT, notwithstanding the provisions of Standing Order 120, this House resolves to reduce the publication period of the Appropriation Bill (National Assembly Bill No. 32 of 2015) from **seven** to **six** days

(The Chairperson, Budget & Appropriations Committee)

There being no Member wishing to debate;

Question put and agreed to.

8. **THE APPROPRIATION BILL (NATIONAL ASSEMBLY BILL NO.32 OF 2015)**

Order for First Reading read;

Bill read a First Time and referred to the relevant Departmental Committee pursuant to Standing Order 127(1)

9. **COMMITTEE OF THE WHOLE HOUSE**

Order for Committee read;

**IN THE COMMITTEE**

First Chairperson of Committees in the Chair

**Amendments recommended by H.E. the President to the Public Audit Bill (National Assembly Bill No.38 of 2014)**

Clause 4 – amendment proposed -

THAT, Clause 4 (2) of the Bill be amended by deleting the existing sub-clause and substituting therefor the following new sub-clause:-

(2) The Office shall comprise the Auditor-General as its statutory head and all other staff appointed by the Auditor-General as may be delegated in accordance with Article 234(5) of the Constitution.

*(The Leader of the Majority Party)*

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 4 – as amended agreed to

Clause 8 – amendment proposed -

THAT, Clause 8 of the Bill be amended by deleting paragraphs (a), (b), (c), (d), (h) and (j) and substituting therefor the following:-

Administrative  
powers of the  
office of the  
Auditor-  
General

- (a) develop an organization structure and staffing establishment for the office of the Auditor-General, subject to Article 234 (5) of the Constitution;
- (b) subject to Article 234 (5) of the Constitution, recruit and promote qualified and competent staff to perform the office's functions;
- (c) *L*  
*e* subject to Article 234 (5) of the Constitution, exercise disciplinary control over staff;
- (d) *a*  
*d* subject to Article 234 (5) of the Constitution, develop human resource of the office;
- (e) *e*  
*r* subject to Articles 230 (4) (b) and 234 of the Constitution, determine the remuneration and benefits of each member of staff;
- (f) *o*  
*f* in addition to what is provided for under any other relevant law, develop and maintain a code of conduct and ethics for the office, specific to auditing, guided by the international code of practice, and code of ethics issued by the International Organization of Supreme Audit Institutions and in consultation with the Public Service Commission and the National Treasury;  
*t*  
*h*  
*e*  
*M*  
*(The Leader of Majority Party)*

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 8 - as amended agreed to

New Clause 11(A) proposed -

THAT, the following new Clause be inserted immediately after Clause 11 of the Bill

Acting  
Auditor  
General

11A. (1) Where:-

- (a) the office of the Auditor-General becomes vacant;
- (b) the Auditor-General has been suspended in accordance with the Constitution;
- (c) the appointment of a person as Auditor-General is pending; or
- (d) the Auditor-General is, for any reason unable to perform the function of his or her office, then, until a person is appointed to and has assumed the functions of that office in accordance with Section 11 above, or until the Auditor-General has resumed the performance of those functions, the Public Service Commission shall recommend the most senior officer in the office of the Auditor-General to the President to designate such a person as the acting Auditor-General.

(2) A person designated under subsection (1) shall meet the minimum qualifications for appointment to the office of the Auditor-General and shall serve for a period not exceeding ninety days.

(3) When acting in terms of subsection (1), the acting Auditor-General shall have all the powers of the Auditor-General.

*(The Leader of the Majority Party)*

Motion made and Question proposed -

THAT, the New Clause 11(A) be read a Second Time

Debate arising;

Motion made and Question proposed -

THAT, the New Clause 11(A) be part of the Bill

Question put and agreed to.

Clause 16 - amendment proposed -

THAT, Clause 16 of the Bill be amended in sub-clause (1) by inserting the expression **“and 234 (5)”** immediately after expression **“230”**

*(The Leader of the Majority Party)*

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 51 - as amended agreed to

Clause 19 - amendment proposed -

THAT, Clause 19 (2) of the Bill be amended by:-

(a) inserting the words **“review and”** immediately after the words **“year for”**, and

(b) deleting the words **“with the Cabinet Secretary’s comments”**

*(The Leader of the Majority Party)*

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 51 - as amended agreed to

New Clause 40(A) proposed -

THAT, the following new Clause be inserted immediately after Clause 40

Auditor- General not to question Government policy objective.	40A. Notwithstanding the provisions of this Act, in an examination under this Act, the Auditor-General shall not question the merits of a policy objective of the national government or county government or any other public entity.
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*(The Leader of the Majority Party)*

Motion made and Question proposed -

THAT, the New Clause 40(A) be read a Second Time

Debate arising;

Motion made and Question proposed -

THAT, the New Clause 40(A) be part of the Bill

Question put and agreed to.

Clause 66 - amendment proposed -

THAT, Clause 66 of the Bill be amended by deleting the words **“Auditor-General”** immediately after the word **“The”** and substitute therefor the words **“Cabinet Secretary responsible for matters relating to finance”**.

*(The Leader of the Majority Party)*

Question of the amendment proposed -

Debate arising;

Question put and agreed to;

Clause 66 - as amended agreed to

President’s amendments to be reported without amendments;

10. **HOUSE RESUMED** - The Second Chairperson of Committees in the Chair

President’s amendments reported without amendments;

Motion made and Question proposed –

THAT, the House do agree with the Committee in the said Report

Question put and agreed to.

11. **MOTION – ADOPTION OF THE NINETEENTH REPORT OF THE PUBLIC INVESTMENTS COMMITTEE**

Motion made and Question proposed –

THAT, this House adopts the Nineteenth Report of the Public Investments Committee on the Audited Financial Statements of State Corporations (Volume I & II), laid on the Table of the House on Tuesday, 31<sup>st</sup> March, 2015.

*(The Chairperson, Public Investments Committee)*

Debate arising;

And the time being thirty minutes past Six O'clock, the Second Chairperson interrupted the proceedings and adjourned the House without Question put pursuant to the Standing Orders.

12. **HOUSE ROSE** - at thirty minutes to Six O'clock

**M E M O R A N D U M**

The Speaker will take the Chair on  
Wednesday, June 24, 2015 at 9.30 a.m.

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