



NAIROBI CITY COUNTY ASSEMBLY

OFFICIAL REPORT

First County Assembly – Third Session

Wednesday, 17th June, 2015

The House met at 2.30 p.m.

(Hon. Deputy Speaker, Mr. Kennedy Ngodi in the Chair)

PRAYERS

Hon. Temporary Deputy Speaker (Mr. Samuel Nyang'wara): I have been informed that there is no quorum, I now direct the Serjeant-At-Arms to ring the bell for the next 10 minutes.

(The Quorum bell is rung)

Hon. Temporary Deputy Speaker: I direct the Serjeant-At-Arms to stop ringing the bell. I call this House into order Hon. Members, we can now proceed.

PETITIONS

Hon. Temporary Deputy Speaker: Hon. Chairman for Planning and Housing you were directed yesterday by the Chair to table a report.

Hon. Member for Imara Daima Ward (Mr. Jairus Atenya): Mr. Speaker sir, we are still working on the Petition please. We seek more extension like two to three weeks. This is a matter concerning Petition; it is not a matter like a request for a Statement. I beg to be given more time.

Hon. Temporary Deputy Speaker: Am I getting you clearly because I understand there is a Status Report on the same?

Hon. Jairus Atenya: This is what I am saying Mr. Speaker sir---

Hon. Temporary Deputy Speaker: Can you read it out?

Hon. Jairus Atenya: We are not yet prepared it up to now, Mr. Chairman.

Hon. Temporary Deputy Speaker: Order Hon. Chairman! I have a Status Report on Petitions before the Sectoral Committee on Planning and Housing, unless and otherwise, you have been out of the meeting yourself.

Hon. Jairus Atenya: It is not that way, Mr. Speaker sir.

Hon. Temporary Deputy Speaker: I have a report, if you are not aware, then I will impose sanctions on you. I understand there is a report that you have signed as the Chair of that Sectoral Committee.

Hon. Jairus Atenya: Mr. Speaker sir, for the last two weeks I was out of the Country and a Member of the Committee was acting as the Chairman. Can I ask him to come and represent me please, Mr. Speaker sir.

Hon. Temporary Deputy Speaker: You can take your seat.

Hon. Member for Eastleigh South Ward (Mr. Nelson Masiga): Mr. Speaker sir I believe the Clerk has not handed us the report it is still been worked on, the status report you are supposed to be having today. So that is why you don't have the Status Report.

Hon. Temporary Deputy Speaker: Are you the Chair or the Vice Chair of the Committee?

Hon. Nelson Masiga: I was the one who was Chairing when he was out of the Country.

Hon. Temporary Deputy Speaker: Okay the report that I have is signed by the Chairman on 17th of this month 2015.

Hon. Jairus Atenya: Mr. Speaker sir, you are confusing about the report, because that one is the summon that is to be taken to the petitioners. Can you read it properly?

Hon. Temporary Deputy Speaker: Okay this I understand yesterday you were told to table the Status Report and with me here, is the status report on Petitions before the Sectoral Committee on Planning and Housing.

Hon. Jairus Atenya: Mr. Speaker sir, I myself I was not here yesterday, so I wonder which petition, you have there.

Hon. Temporary Deputy Speaker: Clerk! Can you advice. (*Consultation*) Can you approach the Chair, Chairman of Planning? (*Consultation*) Okay, understanding the consequences that are there, I direct that the Committee be given a further two weeks and this is simply because they have been unable to get the petitioners themselves so that they can present their petition and hear their grievances. So two weeks are enough, Chairman.

Hon. Jairus Atenya: Thank you Mr. Speaker sir,

Hon. Temporary Deputy Speaker: Okay! So directed Clerk!

BILL

THE NAIROBI CITY COUNTY SUPPLEMENTARY APPROPRIATIONS BILL 2015, ASSEMBLY BILL
NO. 6 OF 2015

FIRST READING

Hon. Temp. Deputy Speaker: Hon. Chair for Budget and Appropriations

A BILL FOR AN ACT OF NAIROBI CITY COUNTY ASSEMBLY TO AUTHORIZE THE ISSUE OF
A SUM OF MONEY OUT OF THE COUNTY REVENUE FUND AND ITS APPLICATION TOWARDS THE
SERVICE OF THE YEAR ENDING 30TH JUNE 2015 AND TO APPROPRIATE THAT SUM AND SUM
VOTED ON ACCOUNT BY THE NAIROBI CITY COUNTY ASSEMBLY FOR CERTAIN PUBLIC
SERVICES AND PURPOSES.

FIRST READING

THE NAIROBI CITY COUNTY FIRE AND RESCUE SERVICES BILL 2015, ASSEMBLY BILL NO. 7 OF
2015

FIRST READING

A BILL FOR AN ACT OF NAIROBI CITY COUNTY ASSEMBLY TO MAKE PROVISION FOR FIRE AND
RESCUE SERVICES TO ESTABLISH A FIRE AND RESCUE SERVICES AUTHORITY AND ITS
FUNCTIONS AND POWERS TO MAKE PROVISION ABOUT EMPLOYMENT BY THE AUTHORITIES,
EDUCATION, TRAINING AND PENSION SCHEMES; TO MAKE PROVISIONS ABOUT THE SUPPLY OF
WATER FOR FIREFIGHTING AND FOR CONNECTED PURPOSES

FIRST READING

NAIROBI CITY COUNTY DISASTER AND EMERGENCY MANAGEMENT BILL 2015; ASSEMBLY BILL
NO. 8 OF 2015

FIRST READING

**A BILL FOR AN ACT OF NAIROBI CITY COUNTY ASSEMBLY TO PROVIDE FOR THE MANAGEMENT
OF DISASTERS AND EMERGENCIES IN NAIROBI CITY COUNTY AND FOR CONNECTED
PURPOSES**

FIRST READING

MOTION

Hon. Temporary Deputy Speaker: Chairperson Select Committee on Public Accounts Committee

Hon. Member for Embakasi West Ward (Mr. Robert Mbatia): Thank you Hon. Speaker. I beg to request the Assembly to adopt the Motion that the report of the Select Committee on the Public Accounts on the report of the Auditor General, Nairobi City County Assembly Service Board car loan scheme fund for the year ended 30th June be adopted by this Assembly.

Mr. Speaker in brief on behalf of the Public Accounts Committee, pursuant to Standing Order 186, it is my pleasant privilege and pleasure to present to this House the report as aforesaid. The background of this report is the car loan scheme that was established pursuant to the Salaries and Remunerations circular number SRC/TS/WB/3/14 of February 14th, 2014. Section 167 of the Public Finance Management Act 2012 mandates the administrator of public funds with the preparations of the financial statements.

In brief Mr. Speaker, we held several meetings and we have the report ready here and I hope the Members have it. This report I would like to take the Members to the last page on the observations of the Committee on page 13.

1. Family Bank as the institution appointed to administer the Nairobi City County Assembly Service Board car loan scheme according to the laid down regulations has persistently and materially breached section 15 (c, d & e) and sections 17 (a) of the aforementioned regulations; section 116(3) and (4) of the Public Finance Management Act, 2012 and its obligations as set out in the Service Level Agreement.

2. The lack of submission of bank statements by family bank Ltd, showing individual Member transactions as requested by County Assembly Loans Management Committee, signifies that the Bank was unwilling to be transparent on its operations.
3. The existence of two active Service Level Agreements to govern the Nairobi City County Assembly Service Board Car Loan Scheme Fund was improper as it had generated a lot of confusion in terms of interpreting the obligations of either party.
4. The provisions of logbooks by the Members to act as security for the loan was not an issue as security was already covered by the insurance taken by individual Members to safeguard the loan.
5. The periodic reports submitted by the Family Bank to the Loans Management Committee of the Assembly had inadequate information concerning individual Member's transaction.
6. The process in which Family Bank Ltd was supposed to receive payment for its administrative services was not clearly defined in the Service Level Agreement thus leaving room for the bank to deduct its payment directly from the funds which is a clear violation of Section 116 (3) of the Public Finance Management Act, 2012.
7. Family Bank Ltd breached the Service Level Agreement by depositing the money for the Car Loan Scheme Fund in alien account whereas the agreement stipulated clearly that the money should have been put in an operational account for onward lending to Members of the Nairobi City County Assembly who had qualified.

In conclusion, Mr. Speaker, the Committee has exhaustively analyzed the submissions and evidence adduced by both the Clerk of the Nairobi City County Assembly and Family Bank. We also sat with the Nairobi County Assembly Loans Management Committee.

Based on the aforementioned, the Committee has arrived at the conclusion that the agreement between Nairobi City County Assembly Service Board and the Family Bank on the administration of the Nairobi City County Assembly Car Loan Scheme Fund is completely untenable in view of the Family Bank's persistent and material breach of its obligation as set out in Section 15 (c), (d) and (e) and Section 17 (a) of the Public Finance Management (Nairobi City County Assembly Car Loan Scheme Fund) Regulations; Section 116 (3) and (4) of the PFM Act, 2012; and the Service Level Agreement.

The Committee therefore recommends that this Assembly do resolve as follows:-

- i) The Service Level Agreement between the Nairobi City County Assembly Service Board and the Family Bank Ltd for administration of the Nairobi City County Assembly Service Board Car Loan Scheme Fund should be terminated forthwith.
- ii) Upon termination of the SLA with Family Bank, Nairobi City County Assembly Service Board should strongly consider administering the said fund internally as this will ensure and enhance more transparency and accountability in the management of the funds
- iii) The Kenya National Audit office should conduct a forensic audit on the establishment and the operation of the Nairobi City County Service Board Car Loan Scheme Fund by Family Bank and establish the following:
 - a) Whether the funds were deposited in a fixed deposit account at any one time.
 - b) If one is so, who authorized the funds to be deposited in a fixed deposit account?
 - c) Whether the bank had levied extra charges to Members in disregard to the charges outlined in the SLA.
 - d) Whether the bank has irregularly been deducting its administrative fees directly from the fund.
 - e) Whether the fund has been accruing interest and by how much.

Mr. Speaker, I would not like to belabor the Assembly much. I know Members have gone through this. I would request that my Hon. Vice Chair to come and second this Motion. Thank you, Mr. Speaker.

Hon. Member for Ngei Ward (Mr. Daniel Mutiso): Thank you Mr. Speaker. I rise to support this Motion. I want to second this Motion, knowing that after we went through this report, we found that Members are losing a lot of money every month. When we went through the report, we went through some of the bank statements from our colleagues, and we found that there were some unnecessary deductions which were made from their salaries. And after their complaints is when the money was reversed. So, I rise to second, and I urge the Members to do away with this bank. Thank you.

Hon. Temporary Deputy Speaker: Order! Can I propose the question? I now propose the question that this Assembly adopts the report of the Select Committee and Public Accounts on the Report of the Auditor General on the Nairobi City County Assembly Service Board Car Loan Scheme Fund for the year ended June 30th, 2014 laid on the table of the Assembly on 16th June, 2015. Hon. Members. Hon. Minority Leader?

Hon. Member for Kahawa West Ward (Mr. Ngaruiya Chege): Thank you Speaker. Through your indulgence, this document is good. But the car loan and the mortgage are like twins. And I want to seek the indulgence of the Chairman, why they only dwelt with car loan only and forgot something to do with mortgage before we deliberate on this particular matter. Because if we leave mortgage, then it means that we are going to get another report on that.

Hon. Temporary Deputy Speaker: I can see the Chair is on his feet. You can approach the microphone.

Hon. Robert Mbatia: Thank you Mr. Speaker. The unfortunate thing--- we are alive to that but the unfortunate thing is that we are only--- this is a report. The Public Accounts Committee only acts on the auditor's general report. So, this is a report that was tabled before this Assembly by the Auditor General for the Car Loan Scheme only that ended 30th June. So, it is true as Hon. Minority Leader is saying; that we are also anticipating another audit report on the mortgage which might be similar. But this is what is before this House Mr. speaker.

Hon. Temporary Deputy Speaker: Fair enough.

Hon. Ngaruiya Chege: Thank you Mr. Speaker. I also thank the Chairman for that information. So, we are also waiting for that because it is long overdue. You know what has happened to this particular bank and the accounting officer in-charge of this County Assembly. Whatever information that has been put forward here, I think we don't have to discuss much. We were seeking ways of how we are going to blacklist this bank, Mr. Speaker.

This is a bank that has joked with representatives of the people. It has made the representatives of the people look like they are beggars. It is high time that we are not taken for granted, 127 Members. If they go out there and talk ill of a certain institution, I believe that will be the end of that particular institution. I believe even before the Committee came up with this report, they went through different stages and you can see they are avoiding and they are not true to the fact. They are very economical with the truth. It is high time, and even in future, we don't allow Family Bank to transact any business with the Nairobi City County Assembly not only in this one but also in the future. Thank you, Mr. Speaker. I support.

Temporary Speaker: The Majority Leader has shown interest in saying something.

Hon. Majority Leader: I think it is high time Family Bank knows that they are not above the law. I can remember we had a meeting with Family Bank in March in Naivasha and we told them we want statements of this account from when we started banking with them.

As the Chairperson of the Loan Committee, I am not happy with what they are doing, so Members, if you want to terminate the contract with them it is up to you, because I do not think there is any malice in withdrawing from them. So, I support this 100%.

Hon. Temporary Deputy Speaker: Hon. Mauti.

Hon. Elkana Mauti: Thank you, Mr. Speaker. This is where some of us are suffering. Mr. Speaker, we have been crying up and down but some of us were not heard. Our money, KShs. 254 million put in an alien account, which means fixed deposit account, who is chewing the interest? Nobody knows. When you ask Family Bank they have a negative answer. Mr. Speaker, it is high time the Nairobi County Assembly terminates all transactions with Family Bank within Nairobi County because if you mess up with the Legislators what about the Executive? What about the small business within Nairobi County. Mr. Speaker, we are suffering a lot.

Family Bank has taken us for granted, they thought we would not know the meaning of the word alien but fortunately we knew it. When we asked them to substantiate the alien account they gave us several answers. Nobody was in a position to tell us and afterwards they forgot and talked about fixed deposit account. Mr. Speaker, the money which was to be given to Members is up to now under the alien account but we were given Family Banks money. So, from today know that the money you were given is Family Bank money but not the money that you were entitled to. The interest was supposed to be 3% but right now you are being deducted 6%.

We are worried whether we have the Legal Advisor for the Assembly who read the agreement and understood it clearly because some of us are not lawyers. Mr. Speaker, we are very worried about the years that Family Bank has been extracting money from the Members of this Assembly. We want to terminate the agreement or contract with Family Bank. Mr. Speaker, I support.

Hon. Temporary Deputy Speaker: Hon. Marion Githinji.

Hon. Marion Githinji (Nominated Member): Thank you, Mr. Speaker. I rise to support this Motion and I would like to thank the Chairperson of PAC. I would like to say that Family Bank, apart from the allegations, are also very unprofessional. People go and ask them for statements and they do not give you your own statement. I asked for a statement on 15th May and I have not received my personal statement. They also fluctuate what they are deducting from your account whether it is your salary money or monies that you have put in that account. So, from personal experience, I believe that we should actually find out what is happening in Family Bank because if they are doing that to us they might be doing the same thing

to Members of the public. They seem to not have order because you are always sent to other branches. My Bank branch is not Kenyatta Avenue but they always send me to that branch to see people I do not know. They are not professional as bankers and it is high time that we leave that Bank without any fear or favour. Thank you.

Hon. Temporary Deputy Speaker: Hon. Luchiri and then Hon. Muasya.

Hon. Nancy Luchiri (Nominated Member): Thank you, Mr. Speaker sir for this opportunity. Personally I wish to lament over the issue of Family Bank. This is the digital era; we are supposed to be using ATM's. Assume you are somewhere in Mombasa and you are supposed to use ATM's and then these people tell you that their systems are down. This Bank's systems are forever down.

As my colleague has said, their statements are not clear because whenever you ask for a statement someone rushes to the headquarters to get that statement and this is a computerized machine. That means that Family Bank, there are so many things that they are hiding and we would really want to know what interest rates they are using because when they lured us into their system and took their loans they promised heaven.

Right now Members are suffering. These are Hon. Members, they are supposed to be delegating and doing their responsibilities yet they are forced to go and queue and take a lot of time in that Bank. I would wish to state that Family Bank should never be allowed to transact business as usual. Thank you.

Hon. Temporary Deputy Speaker: Hon. Emmaculate.

Hon. Emmaculate Musya (Nominated Member): Thank you, Mr. Speaker. I stand to support the Motion. Family Bank has been stealing from the Hon. Members with a lot of impunity. Mr. Speaker, we cannot have a Bank whose network is always down, from the 1st to 30th of the month. Mr. Speaker, secondly, what I want to know from the PAC people, we the Hon. Members have been repaying the loan. Ksh. 61,800 from every Member is deducted to repay the loan. When you multiply 125 Members of this Assembly who actually acquired that loan from Family Bank, we want to know where the interest goes. Number 3, we want to know the percentage we agreed on with the SRC that the Members should get the loan on 3%, why are they deducting 6% from us?

Finally, Mr. Speaker, this Bank is a sort of thieving bank. They cannot keep on stealing from us every month and when you go and ask for your balance they will never directly give you what you want. Normally what they do is just tell you to wait; they are going to give you your statement. Personally, I have experienced the same problem, from January they have been deducting from my account KSh. 61,700. When I went to them they told me they are going to refund my money, so they are refunding daily? Mr. Speaker, we want to know why the Bank is stealing from us. Thank you.

Hon. Temporary Deputy Speaker: Hon. Kagiri.

Hon. Member for Pipeline Ward (Mr. Samuel Kagiri): Mr. Speaker, I want to thank you for this opportunity. I stand here as a Member of the Loans Committee and I understand the issue of Family Bank clearly because we have held several meetings with them as the Majority Leader has said, he is our Chairperson. Mr. Speaker, I would say that I am satisfied with the recommendations of the report of the Public Accounts Committee.

Mr. Speaker, if you allow me I will mention a few points and one of the points is that Members of this Assembly took some loans before the car and mortgage loans from Family Bank. We vetted Family Bank and we thought it was going to be a good Bank by the way they had presented themselves.

The 16% or 18% Members had previously taken, the bank has been deducting a higher percentage from the Members accounts on interest that is not constant, because what I understand by a reducing balance Method, interest should be reducing at a certain rate depending on how someone is paying, but this time you go and find your interest is 50,000 next time you find it has gone to 80,000 then it goes down again, we cannot understand what formula these guys use to do their calculations.

I remember we held a Kamukunji here and agreed that we remove the Money from Family Bank and manage it internally; we don't know what happened the money was taken back to Family Bank. We have tried to ask for statements as a Committee to show that the money that was deposited for Car Loan, the 254 million, how it was distributed to each and every Members' account, but Family Bank has always been giving empty promises.

They say that they are changing systems so that they can produce statements the way we want them produced, but to-date they haven't done so. I think we have struggled enough with this Bank, Members' salaries have been deducted, I remember one of the instances when we were negotiating for the Loans for Mortgage, we requested Family Bank to give Members more money because we had a lot of money being retained in our accounts because our pay slips could not allow the money to be deducted in full from here, we requested them to allow money to be deducted from our accounts. The Bank refused and said the loans are going to be on a check-off system.

Later, an example is me, I cleared my 16% Loan meaning all my loans are deducted from my pay slip and when I go to the Bank I still find money has been deducted and yet I don't have an extra loan with the Bank. This is what is happening with Members accounts, their money is being deducted from their accounts without their permission, yet we can't understand why this Bank is doing so. When you talk to them they will tell you that they are going to return the money back to the account, it takes days, and even the Members have quarreled with the staff in their Banking Hall.

I think this is not the right Bank to operate, and the issue of 6% what my fellow Hon. Member Has said, I would not say that it is not supported but if you come with facts, we would see whether the 6% is true. I have done some calculations, they are doing the right deductions for now, but they are doing other hidden calculations from our accounts. So I would request that the full recommendations of this report be implemented. Thank you, Mr. Speaker.

Hon. Temporary Deputy Speaker: The Hon. Member for Kwa Njenga.

Hon. Member for Kwa-Njenga Ward (Mr. Alexander Mulatya): I am surprised Mr. Speaker that you cannot recall my name, my name is Dr. Mulatya. I have no much to talk about Family Bank. In fact Family Bank is more of a welfare than a Bank, reason behind is Members' deductions are done randomly, today you get such amount extra which has been deducted, when you go to the Loans officer, he will tell you that they did it by mistake and they are going to reimburse you.

Secondly the same Bank, when our loan of 3% was introduced, it was very funny such that our loan was directed to one branch as if Family Bank don't know the issue of networking, ICT whereby we talk of real-time remittances, whereby transactions can be done at the same time anywhere regardless of the branch the transaction is being transacted. Without talking much, Family is not a Bank, but it is a welfare whereby interests are decided on their table, it is more of a Table Banking rather than a real Bank. Thank you, Mr. Speaker. I support this Motion.

Hon. Member for Nyayo Highrise (Mr. Maurice Akuk): Thank you Mr. Speaker for catching my eye finally, I stand here in support of this report but I just wanted The House to also capture some details they probably missed and indeed Members of this Assembly are suffering from that, Mr. Speaker sir.

Mr. Speaker you remember sometimes late last year, I stood before this House and I think it was in a Kamukunji trying to explain to the Members some of the variances that occurred with this loans, I believe it is early this year and when it was decided that we were going to pay another insurance company some money at a rate of 3%, I believe you remember that and my question at that particular time which I also forwarded to Family Bank was that at time this car loan was advanced to us, an insurance of 0.5% was charged.

We did pay this insurance in regard to this loan that was advanced to us but what disturbed me is that after one year of advancement of this loan to Members, a new insurance cover was levied to these Members. When I raised this issue in Naivasha, unfortunately the General Manager at the time of this Kenyatta Avenue admitted that indeed it was wrong to charge this figure twice.

According to me, the new insurance charge was levied on original loan which was a Kshs. 2 million. It does imply that we actually paid twice for insurance and we needed a refund from one insurer and this obviously was going to be the insurer from the Family Bank side. Every Member here lost Kshs. 27,000, if you multiply that by 126, it is evident that this particular Bank should actually reimburse Members this amount. Until today Mr. Speaker sir---

Hon. Temporary Deputy Speaker: Order Hon. Maurice Akuk, Hon. Kagiri, it is Hon. Maurice Akuk's time, you rise on a Point of Order only after he has finished.

Hon. Maurice Akuk: No Mr. Speaker allow him with his Point of Order probably he has an Order

(Loud consultations)

Hon. Temporary Deputy Speaker: Order! We are on a Motion, on which Point of Order are you standing on Hon. Kagiri? Fair enough, with the advice of the Chief Whip simply because of the welfare of his Members, you are allowed.

Hon. Samuel Kagiri: Mr. Speaker, I am rising on a Point of Order, on a Point of Information concerning what my learned friend Hon. Akuk is talking about. Members of this Assembly were requested to provide security for the loans, Mr. Speaker let me---

(Loud consultations)

Hon. Temporary Deputy Speaker: Hon. Maurice Akuk, you requested the Chair to give him the permission.

Hon. Samuel Kagiri: I am on a Point of Order.

Hon. Maurice Akuk: He rose on a Point of Order not a Point of Information Mr. Speaker sir. I should have been requested if I wanted to be informed.

Hon. Samuel Kagiri: Mr. Speaker I am on a Point of Order.

Hon. Temporary Deputy Speaker: Order Hon. Maurice.

Hon. Maurice Akuk: He is informing the wrong person. He is part of that Committee that has made this mess Mr. Speaker sir.

Hon. Samuel Kagiri: I am not informing him. I am informing---

Hon. Maurice Akuk: I do not want information, I am very much aware of what I am talking about.

Hon. Temp. Deputy Speaker: Indeed it is well advised that Hon. Maurice Akuk does not want advice, whom are advising?

Hon. Samuel Kagiri: I am not advising him, I am on a Point of Order Mr. Speaker.

Hon. Maurice Akuk: Which Order?

Hon. Temp. Deputy Speaker: Which Point of Order Hon. Kagiri?

Hon. Maurice Akuk: Let us not confuse this House to be a market place Mr. Speaker sir.

Hon. Samuel Kagiri: Mr. Speaker the House is being misled.

Hon. Temporary Deputy Speaker: Order Hon. Kagiri, I gave you permission simply because there was a request placed by the Chief Whip and I said it but you have come on the microphone and you are saying that you are standing on a Point of Information and when I am asking you whom are you informing, you not informing any one.

Hon. Temporary Deputy Speaker: Order! Can you allow Hon. Maurice Akuk to finish his statement?

Hon. Member for Nyayo Highrise ward (Mr. Akuk Maurice Omondi): Let me proceed Mr. Speaker.

Hon. Maurice Akuk: For a Member to insinuate that I'm misleading this House...

Hon. Temporary Deputy Speaker: Are you replying and yet you said--- you cannot reply, continue with the debate

Hon. Maurice Akuk: Mr. Speaker sir Members were charged twice. It is very arrogant for this Member to stand before this House and claim we were paying this because we did not offer the logbooks. Mr. Speaker letters have been forwarded to us to provide the logbook.

I have provided the log book, who is this new insurer? Why has my money not been refunded to me because I provided a log book for this particular loan that I took? And as a matter of fact I have paid a half of this loan. Why haven't they refunded me my insurance? Why is the Member so defensive on this matter? Is he part of the scheme?

Let Members know that they have been duped to actually give this Bank an extra Ksh. 27,000 from their pockets and we are told it is because of a logbook. Are we insured twice on the same loan because of a log book? Have we refused to give our logbooks? No. so let the Member not come before this House and tell us we are misleading the House yet we have lost money in this Bank.

Number one Mr. Speaker sir, something that has not been captured in this report, is that this particular Bank advanced Members loans yet their pay slips could not support this. Mr. Speaker in the Banking Act this is illegal. This Bank performs something that is illegal. And if we are now to follow the law this Bank should be shut down. No Member should even purport to say this Bank was right in charging us this insurance twice. I was just adding this in this report so that the PAC Committee might also get some new insight, thank you.

Hon. Temporary Deputy Speaker: Hon. Moses Ogeto

Hon. Member for Kilimani ward (Mr. Moses Ogeto): Thank you Mr. Speaker sir I want to commend my chair of PAC for what he has done. He has done a very commendable job. Mr. Speaker sir as much as my colleague wants to throw tantrums on the Committee of Loans and Mortgages the same report which I think the PAC has emphasized and what they have recommended are the same things even in our minutes in the Loans and Mortgage Committee that we had recommended.

But since the PAC is a very authoritative Committee let the Family Bank face the wrath of not following the law as you see they didn't even--- they breached the Constitution on Article 15(c) (d) (e) and of the regulations of the Nairobi City Assembly Car Loans and Mortgages Fund.

Mr. Speaker sir this report will give Members and will also make Members enjoy the benefits of this scheme, not the day it has been by Family Bank.

We rose here during a *Kamukunji*, we wanted to terminate the Car Loan and Mortgage Committee but due to the pressure of the time we were unable to withdraw from Family Bank.

Family Bank has hidden costs which I think even the PAC Committee could have also added in this report. In recommendation (e): whether the funds have been accruing interests on accruals and how much, Mr. Speaker sir I'm very sure even before our committee of Loan and Mortgages they were unable to tell us how much interest it had accrued. Mr. Speaker sir you do remember they had even tricked the Assembly that the interest will be 3% flat rate but we fought so hard until it was on a free risk rate. I wish that the implementation of this report is followed to the uttermost good faith, thank you Mr. Speaker.

Hon. Temporary Deputy Speaker: Hon. Margaret Sewe

Hon. Margaret Sewe (Nominated Member): Thank you Mr. Speaker, I don't want to take much of the House's time, I only wanted to push in one or two points, as a PAC Member, of course much has been said of Family Bank, we only need to be sober enough and do the right thing which is voting out of Family Bank.

Mr. Speaker I think the attitude with which members of that Bank handles us as PAC Committee was quite absurd. I want to say we bolt out either now or never. I stand to support.

Hon. Temporary Deputy Speaker: Hon. Njoroge Kairu

Hon. Member for Woodley Ward (Mr. David Njoroge Kairu): Thank you very much Mr. Speaker, I want to second the Motion of the Committee, to support the Motion of the Committee and say it is true that the bank has messed Members very thoroughly and if it is possible, if the Committee could have proposed that we look for an auditor to verify what has been mentioned and to go deeper into our accounts to see how this Family Bank has been deducting our money so that we tell the people we represent that this Bank is not making profits in the right way, they are stealing from the Members so I support the Motion.

Hon. Temporary Deputy Speaker: Thank you, I think the extensive audit they requested will deal much with that. I now request the Chair to reply

Hon. Robert Mbatia: Thank you Mr. Speaker, I want to thank this Hon. House for the overwhelming support and as I give my gratitude also mention specially the Members of the PAC Committee not by name but each Member. Also your office Mr. Speaker and the office of the Clerk.

Mr. Speaker much has been mentioned and I want probably to highlight something on what Hon. Maurice Akuk mentioned about the double levying of the insurance. In our recommendation last page 15(c) on the forensic audit, we have indicated that the forensic audit should establish whether the Bank had levied extra charges to Members in disregard to the charges outlined in the SLA.

After the forensic audit it is only when we can get to know whether we were double charged in any of those levies. So this should be captured in the forensic audit request and I request also that, I know this has overwhelming support but also implementation is a factor. We request as Hon. Sewe has said that this should be done *kama sio sasa ni sasa hivi*, so Mr. Speaker I beg to move. Thank you.

(Question to the Motion put and agreed to)

ADJOURNMENT

Hon. Temporary Deputy Speaker: I want to direct from the Chair and indeed after observations made by Maggy Sewe that the County Assembly Service Board jointly with the Loans Committee to move with speed and actually implement the same as the House has ruled. This assembly adjourns till tomorrow 2.30 p.m. thank you.

The House rose at 4.15 p.m.