



**County Assembly of Mombasa
Third Assembly – First Session
Twenty Fifth Sitting
Special Sitting
ORDER PAPER
Friday, 16th December 2022 at 11:00 a.m.**

Prayers

1. Administration of Oath;
 2. Communication from the Chair;
 3. Messages;
 4. Petitions;
 5. Papers;
 6. **Notice of Motion - Approval of Overdraft Facility for Early Payment of Salaries – Hon. Kibwana Swaleh (Chairperson, Committee on Finance, Budget and Appropriations)**
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Mr. Speaker Sir, I beg to give notice of the following Motion,

THAT AWARE that **Section 142** of the **Public Finance Management Act, 2012** allows for short-term borrowing by the County Government with the approval by the County Assembly.

FURTHER AWARE that the **County Government of Mombasa** is facing cash flow challenges occasioned by delayed disbursements of funds;

RECOGNIZING the efforts that the current county government administration under the stewardship of **His Excellency, the Governor, AbdulSwamad Shariff Nassir** is making to enhance revenue collection, implement fiscal discipline and remedy revenue disbursement challenges in order to solve the perennial problem of salaries delays;

APPRECIATING the challenges are momentous and will take concerted efforts of all stakeholders to resolve;

CONCERNED failure to source funds from financial institutions would breach basic rights of county government employees and also be in breach of labour laws;

FURTHER CONCERNED that a section of employees has threatened to take industrial action as a result of perennial delays in payment of salaries which the County Government deprecates as premature, ill-advised and unjustified;

I therefore urge this Assembly to **RESOLVE**:

- 1. THAT**, pursuant and subject to **Section 142** of the **Public Finance Management Act, 2012**, the **County Assembly of Mombasa** grants approval to the **County Government of Mombasa** to immediately borrow upto a maximum of **Kshs. 560 million** from **KCB Bank Kenya Limited** for payment of salaries repayable within 60 days upon disbursement.
- 2. THAT**, for the aforementioned overdraft facility, no commission shall be payable by the County Government on the total overdraft amount for the first 60 days. In case the County Government defaults to pay within 60 days, it shall be liable to pay a commission of 0.5% for the next 30 days after which the commission will graduate to 1% for the next 15 days and thereafter 1% charge will continue plus 10% penalty. Customer charges shall include salary processing fees plus EFT processing fees shall apply at Kshs.100/= plus 20% excise duty per transaction.

3. **THAT**, pursuant and subject to **Section 142** of the **Public Finance Management Act, 2012**, the **County Assembly of Mombasa** hereby grants prior approval to the **County Government of Mombasa** for the next one year, as and when needed by the County Government, to borrow from **KCB Bank Kenya Limited** upto the limit of the total county payroll for early payment of salaries only on every 25th day of every month repayable within every 60 days on the aforementioned terms.
7. Statements;
8. **Motion - Approval of Overdraft Facility for Early Payment of Salaries – Hon. Kibwana Swaleh (Chairperson, Committee on Finance, Budget and Appropriations)**
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Mr. Speaker Sir, I beg to move the following Motion:

THAT AWARE that **Section 142** of the **Public Finance Management Act, 2012** allows for short-term borrowing by the County Government with the approval by the County Assembly.

FURTHER AWARE that the **County Government of Mombasa** is facing cash flow challenges occasioned by delayed disbursements of funds;

RECOGNIZING the efforts that the current county government administration under the stewardship of **His Excellency, the Governor, AbdulSwamad Shariff Nassir** is making to enhance revenue collection, implement fiscal discipline and remedy revenue disbursement challenges in order to solve the perennial problem of salaries delays;

APPRECIATING the challenges are momentous and will take concerted efforts of all stakeholders to resolve;

CONCERNED failure to source funds from financial institutions would breach basic rights of county government employees and also be in breach of labour laws;

FURTHER CONCERNED that a section of employees has threatened to take industrial action as a result of perennial delays

in payment of salaries which the County Government deplores as premature, ill-advised and unjustified;

I therefore urge this Assembly to **RESOLVE**:

1. **THAT**, pursuant and subject to **Section 142** of the **Public Finance Management Act, 2012**, the **County Assembly of Mombasa** grants approval to the **County Government of Mombasa** to immediately borrow upto a maximum of **Kshs. 560 million** from **KCB Bank Kenya Limited** for payment of salaries repayable within 60 days upon disbursement.

 2. **THAT**, for the aforementioned overdraft facility, no commission shall be payable by the County Government on the total overdraft amount for the first 60 days. In case the County Government defaults to pay within 60 days, it shall be liable to pay a commission of 0.5% for the next 30 days after which the commission will graduate to 1% for the next 15 days and thereafter 1% charge will continue plus 10% penalty. Customer charges shall include salary processing fees plus EFT processing fees shall apply at Kshs.100/= plus 20% excise duty per transaction.

 4. **THAT**, pursuant and subject to **Section 142** of the **Public Finance Management Act, 2012**, the **County Assembly of Mombasa** hereby grants prior approval to the **County Government of Mombasa** for the next one year, as and when needed by the County Government, to borrow from **KCB Bank Kenya Limited** upto the limit of the total county payroll for early payment of salaries only on every 25th day of every month repayable within every 60 days on the aforementioned terms.

 9. **Bill - First Reading – The Mombasa County Finance Bill, 2022 – Hon. Kibwana Swaleh (Chairperson, Committee on Finance, Budget and Appropriations)**
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Adjournment.