

COUNTY GOVERNMENT OF BUNGOMA



COUNTY ASSEMBLY OF BUNGOMA
COMMITTEE ON FINANCE AND ECONOMIC PLANNING
REPORT ON BUNGOMA COUNTY RECEIVERS OF REVENUE
FINANCIAL STATEMENT FOR THE PERIOD ENDING JUNE
30TH 2023.



FOR THE PERIOD ENDED

June 30, 2023



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CHAPTER ONE

1.1 preface

Mr speaker Sir, the receivers of revenue financial statement for the period ending June 30th 2023 was tabled in the House on 1st November 2023 by the Majority Leader and committed to the Committee on Finance and Economic Planning.

The report has highlighted on the general performance in own source revenue collection including appropriation in Aid by the Bungoma County.

The Committee critically analyzed the report and did comparison with performance in previous years which aided it to make critical observation with clear and workable recommendations for the house to consider.

Generally, the committee observed each revenue stream's performance against the budget and historical behavior in revenue collection across all revenue streams including during Covid-19 period.

1.2 Mandate of the Committee.

Mr. Speaker Sir, The sectorial Committee on Finance and Economic Planning is constituted pursuant to the provisions of Standing Order No. 217 of the County Assembly of Bungoma and executes its mandate in accordance with Standing order 217(5) which provides as follows:

- a) Investigate, inquire and report all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments.
- b) Study the programme and policy objectives of departments and the effectiveness of the implementation;
- c) study and review all county legislation referred to it;
- d) study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;
- e) investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly;
- f) to vet and report on all appointments where the constitution or any law requires the County Assembly to approve, except those under Standing order 208(Committee on Appointments); and
- g) make reports and recommendations to the County Assembly as often as possible, including recommendations of proposed legislation

1.3 Committee Membership

Mr. Speaker Sir, the Committee on Finance and Economic Planning as currently constituted comprises of the following members:-

- | | |
|-----------------------------|------------------|
| 1. Hon. James Mukhongo | Chairperson |
| 2. Hon. Orize Kundu | Vice Chairperson |
| 3. Hon. Stephen Wamalwa | Member |
| 4. Hon. Everlyne Mutiambu | Member |
| 5. Hon. Vitalis Wangila | Member |
| 6. Hon. Violet Makhanu | Member |
| 7. Hon. Jack Kawa | Member |
| 8. Hon. Francis Chemion | Member |
| 9. Hon. Tony Barasa | Member |
| 10. Hon. George Makari | Member |
| 11. Hon. Aggrey Mulongo | Member |
| 12. Hon. Godfrey Wanyama | Member |
| 13. Hon. Everton Nganga | Member |
| 14. Hon. Christine Mukhongo | Member |
| 15. Hon. Catherine Kituyi | Member |

1.4 Legal Framework

The report is prepared in compliance with section 157 of the PFMA which states that :

157. (1) The County Executive Committee member for finance shall, in writing, designate persons to be responsible for collecting, receiving and accounting for such county government revenue as the County Executive Committee member for finance may specify in their letters of designation.

(2) A receiver of county government revenue is responsible to the County Executive Committee member for finance for ensuring that the revenue for which the receiver is responsible is collected or recovered, and is accounted for.

158. (1) A receiver of revenue for a county government may authorize any public officer employed by that County Government or any of its entities to be a collector of revenue for the purpose of collecting revenue for that county government and remitting it to the receiver.

(2) Any other public officer, other than a receiver of revenue or collector of revenue for a County Government, who collects revenue for that Government shall, not later than three days after receiving it, deliver the revenue to a receiver or collector of revenue for that county government.

(3) A receiver of revenue for a county government shall provide quarterly statements to the County Treasury with copies to the National Treasury and the Commission on Revenue Allocation.

164(1) At the end of each financial year, the accounting officer for a County Government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board.

(2) The accounting officer shall include in the financial statements—

(a) appropriation accounts, showing—

(i) the services for which the appropriated money was spent;

(ii) the amounts actually spent on each service; and

(iii) the status of each Vote compared with the appropriation for the Vote; and

(iv) a statement explaining any variations between the actual expenditure and the sums Voted; and

(v) any other information specified by the County Treasury;

(b) a statement of the entity's debt that is outstanding

at the end of the financial year;

(c) a statement of the entity's debt guaranteed by the national government as at the end of the financial year;

(d) a statement of the entity's assets and liabilities as at the end of the financial year in respect of-

(i) each Vote, clearly identifying between recurrent and

development expenditure; and

(ii) funds and deposits;

(e) a statement of the accounting policies followed in preparing the financial statement; and

(f) a statement of the county government entity's performance against predetermined objectives.

(3) The accounting officer shall prepare the financial statements in a form that complies with relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.

(4) Within three months after the end of each financial year, the accounting officer for an entity shall—

(a) submit the entity's financial statements to the Auditor-General; and

(b) deliver a copy of the statements to the relevant County Treasury, the Controller of Budget, and the Commission on Revenue Allocation.

(5) In the case of an entity that is a County corporation, the accounting officer shall submit a copy of the county corporation's financial statements to the County Executive Committee member responsible for that corporation who shall approve and forward the statements to the County Executive Committee member for finance.

Annual reporting by receivers of revenue.

165(1) At the end of each financial year, a receiver of revenue for a county government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial year.

(2) The account under subsection (1) shall include—

(a) a statement of receipts and disbursement in a form prescribed by the Accounting Standards Board from time to time; and

(b) a statement of arrears of revenue.

(3) Not later than three months after the end of the financial year, the receiver of revenue for the county government shall—

(a) submit the accounts to the Auditor-General; and

(b) deliver a copy to the National Treasury, the Controller of Budget, County Treasury, and the Commission on Revenue Allocation.

(4) Not later than two months after the end of each financial year, a receiver of revenue for the County Government shall submit to a County Assembly a report with respect to all waivers and variations of taxes, fees or charges granted by the receiver during that year.

(5) *The receiver shall include in the report the following details in respect of each waiver or variation-*

- (a) the full name of each person benefiting from the waiver or variation;*
- (b) the amount of tax, fee or charge affected by the waiver or variation;*
- (c) the year to which the waiver or variation relates;*
- (d) the reasons for waiver or variation; and*
- (e) the legislation in terms of which the waiver was authorized.*


1.5 Acknowledgement

Mr. Speaker Sir, let me take this opportunity to express my gratitude and sincere thanks to the members of the committee and its Secretariat for dedicating their time to analyze the receivers of revenue Financial Statement report and diligently carrying out critical analysis of the report including interrogation of the department.

The committee is grateful to the offices of Honorable Speaker and Clerk of the County Assembly of Bungoma for the support received as it discharged its mandate in the preparation of this report.

Lastly, the committee lauds the County Executive Committee Member of Finance and Economic Planning and his team for appearing before the Committee and availing the necessary information that enabled the Committee compile this report.

Mr. Speaker Sir, it is therefore my singular duty, on behalf of the Committee of Finance and Economic Planning, to table this report and recommend it to the County Assembly for consideration and adoption.

Signed  Date..... 04/02/2024

**Hon. James Barasa Mukhongo, MCA Chwele/Kabuchai Ward
Chairperson, Committee on Finance and Economic Planning**

CHAPTER TWO

2.1 Statement of performance against predetermined objectives

2.1.1 Operation of the fund.

County Government collects local revenue using the Bungoma Automated Revenue management system (BARMS) system. Every collecting officer has a Point of Sale (POS) machine to ensure that all revenue paid is captured directly into the system to avoid leakages and encourage efficient revenue collection. The revenue collected are banked daily in the four Collection accounts and swept to the Bungoma County Revenue Fund held at CBK every Tuesday.

AIA is revenue collected from Mabanga ATC/AMC, level 3, 4&5 hospitals and County vocational training centers. The revenues include, receipts from County Government, Donations, receipts from offering services, hire of county machines & assets and sale of goods. Most cash are collected through agents that are located within the facility entities.

2.1.2 Revenue Enhancement Measures

The department has continued to institute new measures directed at sealing all the possible leakages to enhance revenue collection and improve collection efficiency.

1. The market entry fees module has been developed and re-structured. It is now possible to register all market traders, which allow them to generate bills and pay through M-pesa. This new module is meant to reduce cash handling amongst tax payers and revenue collectors. The department can now track market fee defaulters. The Finance Act 2021 requires all payments of market fees to be cashless while exempting low value traders with no structures.

The committee through comparison approach established that as much as the collection has gone cashless, still revenue collection targets are not met yet. During its inception during covid-19 even when there were no proper structures for cashless collection, all revenue streams recorded high revenue collection, this implies that apart from going cashless there is an element of integrity/corruption perpetuated by the revenue collectors and traders. Thus, the Committee implores that there is need for all stakeholders to sit down and address this problem.

2. The department continues to implement flexible payment plans for property rates. Defaulters with huge balances will enter into a twelve-month payment plan. This strategy has enabled improved performance of property rates.
3. Measures that are more aggressive are underway to get all defaulters of property rates to comply. The department has forwarded a list of defaulters to County Attorney for legal action by the County.
4. The department had started arresting and arraigning defaulters of trade licenses in court. This was halted after public outcry and incitement. The committee acknowledges the principle of Public participation and advises that sensitization has to be initiated to enlighten traders on their obligations and consequences for noncompliance.
5. Inadequate number of revenue vehicles had hampered mobility of revenue supervisors and collectors. In the FY 2022/23 budget, the department allocated funds to carry out major services for the vehicles in revenue. *The Committee implored the executive to assess the gaps for consideration 2024/2025 budget.*
6. The department of Finance and Economic planning is pursuing the responsible departments to fast track the long pending revenue support legislation.

2.2 Statement of Receiver of Revenue's Responsibility

The receiver of revenue is responsible for the preparation of the receiver of revenue financial statements which give a true and fair view of the state of affairs of the receiver of revenue for and as at end of the period.

2.3.1 Table 1.

Statement of Receipts and Payments for The Period ended 30th June, 2023			
	Period ended June 2023	Comparative period ended June 2022	Variance same period
	Kshs	Kshs	Kshs
County Own Source Revenue			
Hospital Fees	639,015,369	728,619,105	(89,603,736)
Single/Business Permits	86,594,895	87,932,427	(1,337,532)
Parking Fees	69,049,416	72,436,640	(3,387,224)

Cess	44,579,724	41,302,577	3,277,147
Market Fees	36,398,310	43,552,246	(7,153,936)
Land/Poll Rate	31,245,664	21,379,076	9,866,588
Hire Of County Assets	27,786,632	17,621,385	10,165,247
Administration Control Fees and Charges	21,733,039	25,600,530	(3,867,491)
Advertising	13,281,001	21,331,893	(8,050,892)
Miscellaneous receipts	12,852,746	554,987	12,297,759
Physical Planning and Development	12,786,512	11,488,211	1,298,301
Property Rent	11,977,860	15,749,535	(3,771,675)
Conservancy Administration	4,069,567	11,852,405	(7,782,838)
Public Health Service Fees	1,101,510	5,540,632	(4,439,122)
Other Fines, Penalties, And Forfeiture Fees	371,980	385,725	(13,745)
Total County Own Source Revenue	1,012,844,225	1,105,347,374	(92,503,149)
Other Receipts			
Transfers From County Government	-	53,299,987	53,299,987
Total Other Receipts	-	53,299,987	53,299,987
Total Receipts	1,012,844,225	1,105,347,374	92,503,149
Balance b/f at the beginning of the year	150,013,919	176,705,772	
Expenditure By Facilities collection AIA	-679,974,550	-826,046,268	
Disbursements To CRF	-330,427,054	-359,292,947	
Balance Due for Disbursement	152,456,540	150,013,919	

Total revenue collected in the period was Kshs. 1,012,844,225 compared to Kshs. 1,105,347,375 collected same period in the previous year, a negative variance of Kshs. 92,503,149. Out of the amount collected, Kshs. 639,015,369 relates to hospital facilities. These facilities collected less than projection because cash disbursements from the NHIF, Linda mama and Edu Afya were received after close of the Financial Year.

The balance of Kshs. 373,828,856 relates to AIA and own source revenue. Kshs. 27,120,967 was from AIA and Kshs. 346,707,889 from own source. Out of the amount collected, only Kshs. 330,427,054 was transferred to County Revenue Fund account leaving a balance of Kshs. 43,401,802.

2.3.2 Table 2. Statement of comparison of budget vs actual amount for the period ended June 30th 2023

Own source revenue	Final budget	Actual cash	Variance	%
Hospital fees	767,056,828	639,015,369	-128,041,459	83
Single Business permits	115,258,685	86,594,895	-28,663,790	75
Parking	95,187,928	69,049,416	-26,138,512	73
Cess	48,000,000	44,579,664	-3,420,336	93
Market fees	48,299,948	36,398,310	-11,901,638	75
Land /poll rate	50,454,672	31,245,664	-19,209,008	62
Hire of County Assets	31,801,804	27,786,632	-4,015,172	87
Administration control fees	26,699,668	21,733,039	-4,966,629	81
Advertising	27,473,695	13,281,001	-14,192,694	48
Miscellaneous receipts	43,054,145	12,852,746	-30,201,399	30
Physical planning and development	21,854,301	12,786,512	-9,067,789	59
Property rent	12,154,685	11,977,860	-176,825	99
Conservancy Administration	12,247,768	4,069,567	-8,178,201	33
Public Health Service fees	12,180,272	1,101,510	-11,078,762	9
Other Fines Penalties and forfeitures	2,706,094	371,980	-2,334,114	14
Other revenue sources	32,952,485	0	-32,952,485	0
Total Receipts	1,347,382,978	1,012,844,165	334,538,813	75

The County expected Kshs. 1,347,382,978 from AIA and local revenue. Kshs. 1,012,844,165 was collected which translates to 75% of target, a negative variance of Kshs. 334,538,813.

None of the revenue streams achieved the set target. Hospital fees was less by Kshs. 128,041,459, Single business permit Kshs.28.6m, parking fees Kshs.26m, Market fees Kshs.11.9m, Public Health services Kshs.11m, Conservancy Administration Kshs.8m, physical planning and development Kshs.9m, Advertising Kshs.14m, Administration control fees Kshs.4.9m,Hire of County assets Kshs.4m,cess Kshs.3.4m .

2.3.3 Table 3. Statement of Arrears of Revenue as at 30th June 2023

Source of Revenue	Balance as at 1 st July 2022	Arrears received during the year	Additions in arrears for current year to June 30 th 2023	Total arrears as at 30 th June 2023	Measures taken to recover the arrears	Assess ment of recover ability
Cess	65,857,330			65,857,330	-	-
Land rates	160,354,731	7,764,528		152,590,203	-	-
Total Arrears	226,212,061	7,764,528	-	218,447,533		

2.4 Breakdown of Collection

2.4.1.Cess

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs.	Kshs.	Kshs.
Farm Produce	44,296,944	38,228,222	6,068,722
Quarrying	170,280		170,280
Fish farming	3,000	23,200	-20,200
Veterinary	109,500	3,051,155	-2,941,655
Total	44,579,724	41,302,577	3,277,147

2.4.2. Land /Poll rates

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs.	Kshs.	Kshs.
Land rates	22,954,732	12,147,843	10,806,889
Land penalties /interest	1,660,592	4697884	-3,037,292
Arrears	6,630,339	4,533,349	2,096,990
Total	31,245,663	21,379,076	9,866,587

2.4. 3 Single Business permits

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs.	Kshs.	Kshs.
Business permits application fees	5,070,979	4,136,550	934,429
Annual Business permit fees	73,728,725	73,283,750	444,975
Business permit penalties and interest	2,421,725	2332328	89,397
Business permit renewal fees	5,373,466	8,179,800	(2,806,334)
Total	86,594,895	87,932,428	-1,337,533

2.4.4. Property Rent

Description	Period ended June 2023	Comparative period 2022	Variance
	Kshs.	Kshs	Kshs
County Housing	6,427,072	10,320,100	(3,893,028)
Plot Rent	4,793,138	318,000	4,475,138
Transfer of Property	193,200	2,894,155	(2,700,955)
Stalls/kiosks rent	402,050	1,327,800	(925,750)
Consent to charge	30,000	103,000	(73,000)
Clearance certificate	111,400	366,500	(255,100)
Extension of lease	4000	-	4,000
Survey fees and beacon search	17000		17,000
Total	11,977,860	15,329,555	(3,351,695)

2.4.5. Parking fees

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs.	Kshs.	Kshs.
Street parking fees	6,106,580	9,876,670	-3,770,090
Monthly toll /sticker fees	45,397,873	61,085,700	-15,687,827
Motorbike fees	2,018,683	1,474,270	544,413
Registration fees	159,000		
Reserved parking	540,000		
Bus park fees	14,827,280		
Total	69,049,416	72,436,640	-3,387,224

2.4.6. Market Fees

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs.	Kshs.	Kshs.
Market entry fees	29,558,465	32,544,598	(2,986,133)
Livestock	3,573,280	7,916,214	(4,342,934)
Slaughter fee	1,592,050	3,087,434	(1,495,384)
Charges for Carriers/ Loaders With Commodities	187,200		187,200
Fees for Market Premises	28,060		28,060
Charges for Auction Ring- Market Fees Bill	1,459,255		1,459,255
Total	36,398,310	43,548,246	(7,149,936)

2.4.7 Advertising

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs.	Kshs.	Kshs.
Branding	7,113,560		7,113,560
Billboard advertising	6,071,440	21,331,893	(15,260,453)
Outdoor Advertisement	96,000		96,000
Total	13,281,000	21,331,893	(8,050,893)

2.4.8 Hospital Fees

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs.	Kshs.	Kshs.
Level 5 & 4 hospitals	639,015,369	598,341,742	40,673,627
Level 3 hospitals		112,784,219	(112,784,219)
Public Health fees		1,431,482	(1,431,482)
Vocational Training Centres(Vtc) fees		16,061,662	(16,061,662)
Total	639,015,369	728,619,105	(89,603,736)

2.4.9. Public Health Services Fees

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs	Kshs.	Kshs.
Inspection of buildings/premises/Institutions	95,230	1,927,842	(1,832,612)
Public health permit	168,880	3,612,790	(3,443,910)
Food Drugs and Chemical substance License	837,400		837,400
Total	1,101,510	5,540,632	(4,439,122)

2.4.10. Physical Planning and Development

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs	Kshs.	
Building plans approval	12,279,382	11,464,386	814,996
Occupational Permits		19,000	(19,000)
Physical Planning	28,000	4,825	23,175
Hoarding fees	10,000		10,000
Building Inspection	469,130		469,130
Total	12,786,512	11,488,211	1,298,301

2.4.11 Hire of County Assets

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs	Kshs.	
Agricultural Mechanization Services (AMS)	4,000	1,010,320	(1,006,320)
Hire of Machines and Equipment	3,891,010	20,000	3,871,010
Hire of County Stadium	4,000	59,000	(55,000)
Conference facilities/Agricultural Training Centers (ATC)	23,887,622	16,532,065	7,355,557
Total	27,786,632	17,621,385	10,165,247

2.4.12 conservancy Administration

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs	Kshs.	
Refuse disposal fees	150,200	11,749,805	(11,599,605)
Dumpsite fees	12,000	63,000	(51,000)
Sewerage fees	13,200	39,600	(26,400)
Sale of seedlings	3,894,167		3,894,167
Total	4,069,567	11,852,405	(7,782,838)

2.4.13. Administration Control Fees and Charges

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs	Kshs.	
Weights and measures	21,270	288,040	(266,770)
Fire Services	17,579,985	19,375,490	(1,795,505)
Liquor licenses	4,063,684	5,937,000	(1,873,316)
Betting levy	67,100		67,100
Change of Business Location	1,000		1,000
Total	21,733,039	25,600,530	(3,867,491)

2.4.14 Miscellaneous Receipts

Description	Period ended June 2023	Comparative period 2022	variance
	Kshs	Kshs.	
Stock Movement	3,090,862		3,090,862
Miscellaneous Income	-	73,024	(73,024)
Overpayment Recovery	38,931	96,215	(57,284)
Salary Recovery	4,068,860		4,068,860
Other charges(Unclassified)	5,654,093	103,648	5,550,445
Cooperative		282,100	
Total	12,852,746	554,987	12,579,859

2.4.15 Bank balances

The County had Kshs. 150,013,919 as cash balance brought forward at the end of Financial Year 2021/2022, and Kshs. 152,456,540 at the end of 2022/2023. However, the closing balances for Bumula sub county hospital, Bungoma HSSF(Consolidated),Public Health collection account KCB 11569933,Public Health collection account KCB 12259218,Bungoma vocational training (consolidated) have the same closing balances for the 2 years, hence the accuracy of the entire balance cannot be ascertained.

2.4. Challenges the Department faces in Local Revenue Collection

The department highlighted the following as challenges in revenue collection:

- i. There is unprecedented resistance to pay taxes from the citizens obligated to pay. The major sectors affected are town service vehicles and boda boda who claim that the dual carriage road is still under construction and not in good shape. Most of the town service vehicles ply between Bungoma town and Kanduyi.
- ii. Political interference and incitement against the tax payers is evident. This starts with non-compliance by the political class in regard to payment of property rates, parking fees, single business permits, liquor licenses and stall rent.
- iii. The market support infrastructure is still in bad state. These include the auction rings (Chwele, Kimilili, Kamukuywa, Misikhu, Webuye and Mbakalo), sanitation facilities, slaughter houses (Bungoma, Webuye and Kimilili) The county staff houses where the department collects rent are in deplorable condition.
- iv. Motivation programs for revenue collectors with starling performance have not been possible. Re-imburement of transport to revenue collectors and supervisors traversing across large geographical locations collecting trade licenses, plan approval fees, market fees and liquor licenses have been limited by the budget constraints. There is need to allocate funds to motivate revenue collectors.

CHAPTER THREE

3.1. Committee observations and recommendations

3.1.1 Committee observations

Mr. Speaker Sir, the committee noted the following;

1. That there is poor performance of many revenue streams despite automation and system enhancement (budget vs actual collection as well as comparison with previous Financial Year).
2. That the department did not Comply with section 165 (4) of the PFM Act which states that not later than two months after the end of each Financial Year, a receiver of revenue for the County Government shall submit to a County Assembly a report with respect to all waivers and variations of taxes, fees or charges granted by the receiver during that year.
3. In relation to single business permits, the committee noted that new business applications increased by Kshs. 934,429 while existing business renewal fees decreased by Kshs. 2.8m .
4. Collection from rental county houses dropped by Kshs.3.8m. It was noted that several properties are occupied with no rent being collected due to poor inventory system that has allowed some house occupants not to be captured on check off deduction. Money collected from check off is not properly matched to houses to allow ease of auditing to confirm which house rent has been paid and which has not. Some houses are occupied by individuals that are known yet do not pay rent.
5. Plot/ground rent from government plots leased increased from Kshs. 318,000 to Kshs. 4,793,138 due to collection of arrears backdated to 2019.
6. In relation to market fees, collection from livestock dropped by Kshs.4.3m while from slaughter fees dropped by half from Kshs.3m to Kshs,1.5 because:
 - a) There are no auction rings in the markets
 - b) Slaughter houses in Kimilili, Bungoma, Webuye and Sirisia were shut down for several months by NEMA due to poor state of hygiene affecting revenue collection.

c) Traders have opted to slaughter animals from private slaughter slabs because they are cheaper and more hygienic

7. From the report, several revenue streams reported to have dropped were disputed by Revenue department as wrong posting.

i) Public health permit dropped from Kshs.3.6m to Kshs. 168,800 yet actual collection from Revenue Department indicate Kshs. 3,367,390 was collected.

ii) Agriculture mechanization services collections dropped from Kshs.1m to Kshs. 4,000 while actual collection from Revenue department was Kshs.4.2m

iii) Refuse disposal/conservancy fee dropped from Kshs.11.7m to Kshs. 150,200, while actual collection from Revenue department was Kshs. Kshs.12.5M

iv) Liquor license dropped by Kshs.1.8m yet according to Revenue, collection improved to from Kshs.5.8 to Kshs. 7.2m.

8. Arrears relating to Financial Year 2022/2023 have not been disclosed hence the figure declared is incorrect.

9. Own source revenue collected in the period was Kshs. 1,012,844,225. Revenue collected from hospital facilities was Kshs. 639,015,369, which means revenue collected from other sources is Kshs. 373,328,856 yet only Kshs. 330,427,054 was transferred to County Revenue Fund. The report is silent on the balance of Kshs.43m

10. Accuracy of closing cash balance cannot be ascertained in the absence of bank statements and also because of balances that remained the same in the 2 financial years

3.1.2 Committee Recommendation

1. **That** the County Executive Committee Member for Finance and Economic Planning is directed to compile revenue enhancement strategy for each stream and share with the Committees for engagement at the end of financial year 2023/2024
2. **That** the County Government should be in Compliance with section 165 (4) of the PFM Act
3. **That** the County Executive Committee Member for Finance should effective July 2024 avail lists of all businesses that did not renew their Single Business Permit 2023/2024 accompanied by supporting notes to the Committee for engagement.
4. **That** the County Executive Committee Member department of Lands and Director of Housing should avail to the Assembly a catalogue of houses owned by

the county, their location, house rent per month per house, occupants and rent payment status. The Committee further noted that since the drop in collection of house rent is significant, the County Executive Committee Member for Finance and Economic planning together with his counterpart department of Lands, Urban Planning and Housing should urgently establish the course of serious revenue drop and furnish the committee with intervention strategies aimed at addressing the gaps by end of Financial year 2023/2024.

5. **That** the Chief Officer Finance and Economic Planning is directed to ensure application of similar strategies that raised revenue in plot/ground rent is applied in other revenue streams to boost general revenue performance.
6. The County Government should improve services on all market centers to boost revenue collection. These include sanitary facilities, Slaughter house, auction rings etc. This should be considered in the 2024/2025 budget.
7. **That** the Chief Officer Finance and Economic Planning should urgently streamline accurate coding of revenues to ensure correct posting codes and accounting for all revenue collected.
8. **That** all arrears of revenues should be accurately disclosed and measures put in place to enforce collection clearly understood by traders and collectors
9. **That** the balance of Kshs.43m should be disclosed at the beginning of the Financial Year 2023/2024 as opening balance and separated from collections relating to the current Financial Year to avoid confusion.
10. **That** the Bank statements should be availed to the Committee to confirm closing balances immediately upon adoption of the report.

Adoption schedule

Mr. Speaker sir, we the undersigned members of the Committee on Finance and Economic Planning do append our signatures adopting this report with the contents therein.

No.	Name	Designation	Signature
1.	Hon. James Mukhongo	Chairperson	
2.	Hon. Orize Kundu	Vice chairperson	
3.	Hon. Stephen Wamalwa	Member	
4.	Hon. Everlyne Mutiembu	Member	
5.	Hon. Vitalis Wangila	Member	
6.	Hon. George Makari	Member	
7.	Hon. Aggrey Mulongo	Member	
8.	Hon. Everton Nganga	Member	
9.	Hon. Jack Kawa	Member	
10.	Hon. Francis Chemion	Member	
11.	Hon. Tony Barasa	Member	
12.	Hon. Godfrey Wanyama	Member	
13.	Hon. Violet Makhanu	Member	
14.	Hon. Christine Mukhongo	Member	
15.	Hon. Catherine Kituyi	Member	