

**COUNTY GOVERNMENT OF BUNGOMA**

**COUNTY ASSEMBLY OF BUNGOMA**

**COUNTY ASSEMBLY DEBATES**

**THE DAILY HANSARD**

**WEDNESDAY, 5<sup>TH</sup> MARCH, 2025**

**Morning Sitting**

# COUNTY ASSEMBLY OF BUNGOMA

## THE DAILY HANSARD

**WEDNESDAY, 5<sup>TH</sup> MARCH, 2025**

The House met at the County Assembly Chamber at 9:30 a.m.

(Mr. Speaker [Hon. Emmanuel Situma] in the Chair)

### PRAYER

### PAPERS

The following papers were laid on the floor of the house by Leader of Majority Hon. Joseph Nyongesa

1. Report of the Auditor General on Bungoma County Climate Change Fund for the year ended 30<sup>th</sup> June 2024.
2. Report of the Auditor General on Kimilili Municipality for the year ended 30<sup>th</sup> June 2024.
3. Report of the Auditor General on Bungoma Municipality for the year ended 30<sup>th</sup> June 2024
4. County Government of Bungoma Quarterly Report and Financial Statements for the period ended 31<sup>st</sup> December 2024.
5. County Government of Bungoma Receiver of revenue quarterly report and Financial Statements for the period ending December 2024.
6. County Government of Bungoma Revenue Fund Quarterly report and Financial Statements for the period ending December 2024.

**Mr. Speaker:** Hon. Members, the reports from the Auditor General's office as read out by the Leader of Majority on our Order Paper under 5(1)(2)(3) and (4) are all committed to the Committee of Public Accounts Committee for processing and reporting back to the House accordingly.

The County Government of Bungoma Quarterly report and financial statements for the period ended 31<sup>st</sup> December 2024. This one will require each sector department to extract and process its report

The County Government of Bungoma Receiver of revenue quarterly report and Financial Statements for the period ending December 2024 and The County Government of Bungoma Revenue Fund quarterly report and Financial Statements for the period ending 31<sup>st</sup> of December are all committed to the committee of Finance and Economic Planning for processing purposes accordingly.

7. Report of the committee of Powers and privileges on conflict of interest.

**Mr. Speaker:** Just hold on a minute, Hon. Tony, Proceed!

**Hon. Tony Barasa:** Thank you, Hon. Speaker. I table the report on conflict of interest report by the Committee of Powers and Privileges.

**Mr. Speaker:** Thank you, Hon. Members. The report by the committee of Powers and Privileges on conflict of interest is hereby tabled by the committee; formally it becomes the property of the House accordingly.

## NOTICES OF MOTION

### REPORT BY THE COMMITTEE OF POWERS AND PRIVILEGES ON CONFLICT OF INTEREST.

**Mr. Speaker:** Proceed Hon. Tony!

**Hon. Tony Barasa:** Hon. Speaker, I move a notice of motion that this House adopts the report by the committee on powers and privileges on conflict of interest.

**Mr. Speaker:** Hon. Members, a notice having been duly issued by the committee of Powers and Privileges on conflict of interest, we do urge the table clerks that they share that report with the Honourable MCA's on their gadgets, the same will be coming up as a motion on our order paper in the course of this week accordingly.

## MOTION

### REPORT BY THE SECTORIAL COMMITTEE ON YOUTH AFFAIRS AND SPORTS ON THE CONSOLIDATED STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE, 2024 WITH RESPECT TO THE DEPARTMENT OF YOUTHS AND SPORTS

**Mr. Speaker:** Hon. Job Mukoyandali, proceed!

**Hon. Job Mukoyandali:** Thank you, Hon. Speaker. I am here on behalf of the committee of Youth Affairs and Sports to move a motion on the report of consolidated Financial Statements for the period ended 30<sup>th</sup> June 2024 with respect to the department of Youths and Sports.

## CHAPTER ONE

### Preamble

It is my duty to present the report by the Committee on Youth Affairs and Sports on the Consolidated Financial Statements for the Financial Year 2023/2024 for period ended 30<sup>th</sup> June, 2024. The Quarterly Financial Statements was tabled in this County Assembly of

Bungoma on 16<sup>th</sup> October 2024 and stood committed to all Sectorial Committees for their interrogation, input and recommendation through a report to this Honorable House.

I will skip the mandate of the committee.

### **COMMITTEE MEMBERSHIP**

The Committee comprises of the following members;

1.	Hon. Violet Makhanu	Chairperson
2.	Hon. Grace Sundukwa	V/Chairperson
3.	Hon. Timothy Chikati	Member
4.	Hon. Mukoyandali Job	Member
5.	Hon. Cornelius Makhanu	Member
6.	Hon. Charles Nangulu	Member
7.	Hon. Allan Nyongesa	Member
8.	Hon. Caleb Wanjala	Member
9.	Hon. Idd Owongo	Member
10.	Hon. Catherine Kituyi	Member
11.	Hon. Jacob Psero	Member
12.	Hon. Francis Chemion	Member
13.	Hon. Abraham Obama	Member
14.	Hon. Martin Chemorion	Member
15.	Hon. George Tendet	Member

### **Guiding principles in the Examination of the Bungoma County Government Quarterly Reports and Financial statements**

**Mr. Speaker,**

In the execution of its mandate, the Committee on Youth Affairs and Sports is given a legal backing under the Constitution of Kenya 2010, Public Finance Management Act, 2012, and County Governments Act, 2012. These statutory provisions include:

#### **1. Constitutional Principles on Public Finance**

Article 201 of the Constitution of Kenya, 2010 enacts fundamental principles that “...*shall guide all aspects of public finance in the Republic...*” These principles include, *inter alia*,

that: *There shall be openness and accountability, including public participation in financial matters; 201(d) Public money shall be used in a prudent and responsible way; and 201(e) financial management shall be responsible, and fiscal reporting shall be clear.*

Section 149(1) (a) and (b) of the PFM Act 2012 provides as follows... "an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is;

- a) *Lawful and authorized*
- b) *Effective, efficient, economical and transparent*

## **2. Direct Personal Liability**

Article 226(5) of the Constitution of Kenya, 2010 is emphatic that "*If the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not*".

## **3. Obligations of Accounting Officers**

The Public Finance Management Act, 2012 section 166 states as follows;

1. *An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.*
2. *In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report—*
  - (a) *contains information on the financial and nonfinancial performance of the entity; and*
  - (b) *is in a form determined by the Accounting Standards Board.*
3. *Not later, than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.*
4. *Not later than one month after the end of each quarter, the County Treasury shall—*
  - (a) *consolidate the quarterly reports and submit them to the county assembly;*
  - (b) *deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and*
  - (c) *publish and publicize them*

## **Acknowledgment**

I take this opportunity to thank all Hon members of the Committee for dedicating their time to interrogate the Youth and Sports department Financial Statements for the period ended 30<sup>th</sup> June, 2024. The Committee would also like to appreciate the Secretariat who worked with us for their commitment. Lastly, the Committee is grateful to the offices of the Speaker and the office of the Clerk to the County Assembly of Bungoma for logistical support received as it discharged its mandate.

It is therefore my privilege, on behalf of the Committee on Youth Affairs and Sports, to table the Report on the 4<sup>th</sup> Quarter Financial Statements of the department of Youth and Sports in Bungoma County for the Financial Year 2022/2023 for the period ended 30<sup>th</sup> June 2024.

Report signed by the Hon. Violet Makhanu Chairperson, Sectorial Committee on Youth Affairs and Sports.

## **REVENUE**

The department had an initial budgetary allocation of Kshs.124, 782,899; this was adjusted upwards to Kshs.174,475,401 during the 2<sup>nd</sup> supplementary budget composed of Kshs.25,491,075 recurrent, Kshs.29,684,326 Youth Fund and Kshs.119,300,000 development.

## **EXPENDITURE**

During the period ended June 2024, Kshs.139, 245,182 was received which is 80% absorption of the budget .Kshs.117,942,264 was received towards development projects and Kshs.21,302,918 towards recurrent expenditure.

1. **Under General Administration, Planning and support services**, Kshs.25, 302,916 was received against an allocation of Kshs.29, 491,075 which is 86% absorption. Kshs.21, 302,918 went to recurrent expenditure while Kshs.3, 999,998 toward development.

Major expenses were on the following:

- i. Compensation to employees Kshs.10, 383,008 against a budget of Kshs.13, 331,452 which is 78% absorption. Total salary for 12 months is Kshs.12, 111, 184, the balance of Kshs.1,220,268 could not be explained.
- ii. Planning and budgeting with an allocation of Kshs.830, 126 and utility for office operation with an allocation of Kshs.520, 000 had no expenditure in the period, yet the department confirms electricity and water bills were paid.
- iii. Administrative service management allocated Kshs.14, 809,497 received Kshs.14, 919,908 which is 101% absorption. Kshs.3, 999,998 was for supplier credit.

2. **Sports and Talent Development** allocated Kshs.98m received Kshs.87, 990,937 which is 90% absorption

The major expenses were:

- i. Construction of Masinde Muliro stadium phase 1 Kshs.74, 677,585 was received against an allocation of Kshs.76m, which is 98% absorption.
- ii. Completion and equipping of phase I and II of High Altitude Centre Kshs.13,313,352 was received against a budgetary allocation of Kshs.22m. 61%
- iii. Boards and committees allocated Kshs.300, 000 had no expenditure in the period.

Point to note:

- The financial statements have given a total of Kshs.74,677,585 as being payment towards Masinde Muliro stadium during the period, but records from the department indicate that out of the total sum, only Kshs.56,744,155 was paid towards the stadium, below is a breakdown of the total expenditure. It is worth noting that money appropriated from the stadium was diverted to pay for expenses

budgeted under the department of Gender, these include construction of Sang'alo multipurpose hall, supply of tailoring equipment to Sang'alo and Ndalu resource centres. Payment relating to Maeni Youth Empowerment centres amounting to Kshs.2, 625,336 that were not in the budget as listed on the table below.

If you can allow me I can skip the table because it is on our gadgets so that we move to the next page

On completion and equipping of phase 1 and 11 of High Altitude Centre, Kshs.13, 313,352 was received against a budgetary allocation of Kshs.22m. (61%) Out of the amount received, only Kshs.450, 611 was paid to KPLC for electricity in relation to the High Altitude Training Centre. Kshs.8.9m of the money was utilized on Masinde Muliro Stadium, Kshs.2.5m on Mbakalo Stadium phase II, Kshs.915, 582 on Mbakalo stadium phase 1, Kshs. 536,854 to KPLC for Maeni Youth Empowerment Centre.

It's on the gadget, you can get that table.

**3. Sports and talent development programme** with an allocation of Kshs.46, 984, 326, received Kshs.25, 951,328 which represents 55% absorption.

Expenses under the program were

- i. Sports facility development and management with a budgetary allocation of Kshs.17.3m received no money in the period to finance the activity.
- ii. Youth Empowerment fund allocated Kshs.29, 684,326 received Kshs.25, 951,328, 87% absorption. This money was reallocated towards Masinde Muliro stadium contrary to PFM Act 2012 section 154. There is no proof that the reallocation was done in writing by the CECM Finance and the reallocated funds exceed the allowable 10%.

**Point to note:**

According to information provided, a total of Kshs. 111,606,788 was channelled towards the Masinde Muliro Stadium during the period under review; however, the department could not give the correct position of total amount paid so far and the outstanding balance to be paid.

<b>SOURCE OF FUNDS</b>	<b>AMOUNT</b>
High Altitude	8,911,305
Youth empowerment fund	25,951,328
Masinde Muliro allocation	56,744,155
Women and disability fund	20,000,000
<b>Total</b>	<b>111,606,788</b>

#### **ACCOUNTS PAYABLE**

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1, 244,506,681. Kshs. 314,030,609 was paid during the period leaving a balance of Kshs. 930,476,072.

According to records from the department, the outstanding pending bills amount to Kshs.97,398,010, with Kshs.72,967,440 relating to Masinde Muliro stadium.

Point to note:

According to documents availed to the committee, certificates issued do not add up to the revised amount of Kshs.807, 464,800. Total amount paid as at October 2024 is Kshs.759,763,622, this means the outstanding balance is Kshs.47,701,177 and not Kshs.72,967,439, since an amount of Kshs.25,266,261 has been paid out towards retention amount

Certificate No.4 has an amount of Kshs.37, 997,220 and not the Kshs.64, 323,655.21 as quoted.

There is a table which gives the date of the invoice, the certificate number, amount on the certificate payment including VAT. It's on our gadgets. We also note that certificate number 11,12 and 13 were not availed.

## **ACCOUNTS RECEIVABLES.**

The Department of Youth and Sports had no unsurrendered imprest during the period under review.

## **COMMITTEE OBSERVATIONS AND RECOMMENDATIONS**

### **Committee General Observations**

The committee made the following observations

1. The department could not justify a balance on the salary vote of Kshs.1,138,604
2. Planning and budgeting with an allocation of Kshs.1.3m had no expenditure in the period under review.
3. Utility for office operation with an allocation of Kshs.520,000 had no expenditure in the period yet according to the department electricity bills were paid
4. According to the Financial Statements, a total of Kshs.120,628,913 was spent on Masinde Muliro stadium during the period broken down as follows:
  - i. Kshs.74,677,585 from Masinde Muliro vote ,
  - ii. Kshs.20m from women and disability fund and
  - iii. Kshs.25, 951,328 from Youth Empowerment Fund.

While documents provided by the department indicate Kshs.111, 606,788 was paid out. With this difference in figures given, it is difficult to ascertain the accurate figure of pending bills towards the stadium.

- i. Masinde Muliro vote Kshs.56,744,155
- ii. Youth Empowerment fund Kshs.25,951,328
- iii. Economic items Kshs.8, 911,304.75

- iv. Women and disability funds Kshs.20m
- 5. Money was moved around between the department of Youth and Sports and Gender in total disregard of the required 10% reallocation by law. **Section 43(2)(c) of the Public Finance Management Act, 2012** of Kenya.

### **Committee Recommendations**

The following recommendations were made by the Committee

1. **THAT**, the department should consult with the Assembly before moving moneys allocated in the budget as required by **Section 43(2)(c) of the Public Finance Management Act, 2012** of Kenya.
2. **THAT**, the department should have a work plan and comply with the allocations as per the budget to ensure that there is no misappropriation of funds to programs that are not on the budget.
3. **THAT**, the department should ensure accurate reporting on Masinde Muliro to avoid inaccuracies in payments.

The adoption schedule is signed by the members of the committee. That is the end of that report.

Let me call upon Hon. Caleb to second the report.

**Mr. Speaker:** Thank you Hon. Job Mukoyandali. Hon. Caleb, you do have the honour of seconding the committee report.

**Hon. Caleb Wanjala:** Thank you Honourable Speaker. First of all, I would like to applaud the Honourable member who just read the report and I rise to second the report.

**Mr. Speaker:** You are done!

**Hon. Caleb Wanjala:** Yes Honourable Speaker.

**Mr. Speaker:** Thank you, Hon. Caleb. Hon. Members, allow me proceed and be able to propose a motion for debate. Hon. Members, a motion has been moved and seconded that this House adopts the report by the sector committee on Youth Affairs and Sports on the consolidated Financial Statements for the period ending 30<sup>th</sup> June 2024 with respect to the department of Youths and Sports laid on the table of the House on Wednesday 12<sup>th</sup> February 2025. I propose.

*(Question proposed)*

Yes, Hon. Luseneka!

**Hon. Antony Luseneka:** Thank you, Hon. Speaker for giving me this chance to contribute. First, let me appreciate the mover of the motion for taking us through eloquently and also I appreciate the committee for the work done. I am looking at this recommendations especially

recommendation 1 that the department should consult with the Assembly before moving monies allocated in the Budget as required by section 43(2)(c) of Public Finance Management Act 2012 of Kenya. What will happen if they do not consult? This is a trend that has been there. Previously when you look at the department of lands, they re-allocated money meant for trailer park to buy land at Chekube and nothing was done.

We are seeing the same thing happening in Youths and Sports. The money we budgeted to pay the stadium was diverted and here we are just giving general recommendations which cannot be enforced with this House. My take is that, why can't this department come up with tough sanctions to the various departments so that if the department violates someone should be held responsible. Otherwise, these general recommendations, we are not doing justice to this County. Another department will also re-allocate funds to do something else.

So, I do not support this report. I just want to request that it goes back to the department and the committee so that they come up with rough recommendations so that we safeguard the public funds meant for specific projects to implement those specific projects. Otherwise, with this trend I do not see us going anywhere. Look at recommendation number 2, that the department should have a work plan. Every department has a work plan so I am wondering this recommendation... the committee seems to inform us that the department does not have a workplan.

The moment we pass the budget in this Assembly, every committee comes up with the work plan which is supposed to be followed because funds follow functions and every money that we allocate to a specific project must be utilised for that particular purpose. Funds meant for projects and later on diverted to other projects, what will happen to those specific projects that we have allocated funds to.

So, I do not agree with these recommendations, I just request that the report goes back to the committee and they come up with proper recommendations which can be approved by this House so that we hold the department accountable.

**Mr. Speaker:** Thank you. Before I allow Honourable Aggrey Mulongo to respond, as you will be preparing the response Hon. Job, I am aware that anytime we approve the Budget before it is uploaded; you require the Budget, the procurement plan and the work plan, without those documents you cannot be able to access the funds. So yours looks very interesting.

Hon. Aggrey Mulongo! Hold on ,you are now given the mic, proceed!

**Hon. Aggrey Mulongo:** Thank you, Mr. Speaker Sir for giving me this time to contribute towards the Youths and Sports motion. I have seen in the report, I have listened keenly the money meant for disability was also taken away. This is a serious statement from the department. How can you take money meant for disability then you take it away for other functions and yet these people have been crying up and down. They have even camped at the Governor's place for their things to move and nothing has every moved. It's a serious offence and therefore we need to treat it harshly.

**Mr. Speaker:** Hon. Ipara!

**Hon. Johnston Ipara:** Thank you, Hon. Speaker. I also want to contribute towards this particular motion and my attention is drawn on pending bills. You see pending bills have become an elephant in the House and particularly for those whom we contract to provide services and works to the county. We have not paid some of these contractors for the last two years and if this money was borrowed from the bank, what it means the money owed to the bank today is double the amount that was taken.

Last time I visited a friend in Namwela and the neighbour had lost a piece of land which was used as security to secure a loan from a bank and he defaulted for over 15 months. The County Government is doing a disservice to those who are ready to work with us and it is eroding the confidence that suppliers and contractors have to our County and in the near future we shall come to a point where there is nobody who is willing to work with us and I want to believe that this type of conduct must be called to a stop.

Currently people are strained financially. Today as we stand here there are people who have accumulated loans that they are not able to manage. As we are seated here there are people who are fighting battles in court to restrain their properties from being auctioned and the cause is because of a responsible Government who has refused to fulfil her obligation and the civil obligation is just pay what you wanted.

Immediately you advertise that you require services from contractors for a certain item, money is apportioned. Then the big question that we need to ask ourselves is; where does this money diminish immediately a contractor has completed or is about to complete a project. Why are we not able to pay them? What is the cause? Is this only happening in Bungoma?

I think this is a calling point that we Honourable members must stand our position and make sure that the County Government delivers to the people of Bungoma and it does not subject the people to the suffering they are subjected to right now. We are riding on a benefit where some of the contractors do not know their rights but if all of them can get to know we shall have endless battles in court and we should not accept this.

I also want to agree with the earlier speakers. We must come up with strong recommendations where particularly diversion of money is involved because if you see it seems like every departmental head does what he wants without following the due process of law and this must be put to an end so that at least we can reclaim the lost glory of our County. With that, I end my contribution.

**Mr. Speaker:** Hon. Job, sorry before I call you I have seen Hon. Barasa Mukhongo is online

**Hon. James Mukhongo:** Thank you, Hon. Speaker for the opportunity. I want also to make the following submissions over the motion that has been presented by my colleagues Job Mukoyandali.

I also laud the committee in totality for bringing this report in this House. I have keenly listened to the previous speakers and I want to confirm indeed we have approved so many

reports in this House but the buck stopped with the executive. Sometimes when we have some tense issues you will see the gallery full. Even we have the liaison officers, they will make sure they are there.

I do not know whether I am seeing because I don't see anybody here and they are matters touching on the executive currently where they need to be in the House and inform the executive over the same because we have approved so many reports with very good recommendations but the buck stops with the executive. They are not implementing and I am asking myself we have serious committees in this Honourable House. Let each and every committee, we have our own mandates, each and every committee to follow the mandate of the committee.

By so doing we will have an oversight to the executive. Today in the morning I listened keenly to the senator for Vihiga , he said very wonderful things because we are leaving the senators to provide oversight over the Governors and yet there is an Honourable House here which needs to oversight the executive. Look at this, a question is posed for Masinde Muliro stadium. The department cannot even explain how much we have utilised so far but when you go on pending bills, it is there. What has informed the pending bills?

As we sit here and talk a lot of things, we are talking much that implementation is a problem. I am now back and I want to thank God.

(Applause)

I am not the Barasa you used to see.

**Mr. Speaker:** You could have commenced by saying I am now back.

**Hon. James Mukhongo:** Yes Hon. Speaker, I am back.

**Mr. Speaker:** Proceed!

**Hon. James Mukhongo:** I am not the Mukhongo you used to see, because we must provide oversight to these executive and let me tell you Honourable members, if you want to be re-elected back here it is so hard to seek for second re-election. Some of you came here very easily because you were saying as I go there; I will implement or do this. How much have you done? We are in the same box, so Honourable members, I can now see, you know I am on the Government side, the opposition members are now saying you can now see but this is what we need to do because we represent the people of Bungoma. That is our cardinal duty and responsibility so as we provide oversight to the executive it must be collective, *ama namna gani*.

Otherwise, let me stop there as I say in one way or another I differ with my brother Honourable Leader of Minority when he said he doesn't support the report and he knows what he is required of which he has failed. I support the report.

(Applause)

**Mr. Speaker:** Thank you, Hon. Mukhongo. Let me have Hon. Makari then I will have Hon. George, proceed please!

**Hon. George Makari:** Hon. Speaker, you are baptising me another name.

**Mr. Speaker:** No, I was used to some people who used to sell me land, so proceed please!

**Hon. George Makari:** Thank you, Hon. Speaker. I want to applaud the mover of the motion Honourable George for the good work he has done and I want to support the report. If you look at the recommendations and observations, they are very nice. I want to back Honourable Mukhongo and Ipara .The issue is the implementation of our recommendations. I do not know where the buck should stop because we pass here so many nice recommendations, we will do this and that but at the end of the day when we read these financial statements in the other quarter, the same recommendations are there.

There was no implementation for the previous recommendations and something Hon. Ipara said, we allocate monies, contractors are given a job to do against an allocation but how come every other year we remain with pending bills because a contractor being given a job means there was a corresponding allocation for that job. How come that at the close of every year we are having a staggering billions of money pending in unpaid bills?

As Hon. Mukhongo has said, we can begin anew chapter by looking at this executive because the way we are going if we are not very careful, if you will come back as a Speaker you will only remain with five old members or four. The rest of us will be away but hopefully I will not be away, I will be back. I support the report.

**Mr. Speaker:** Thank you. Hon. Joseph Nyongesa our Leader of Majority!

**Hon. Joseph Nyongesa:** Thank you, Hon. Speaker. Allow me also appreciate the mover of this report and the committee in totality. You know we have been skipping to read this issue of the mandate of the committee and when any Hon. Member is standing saying what should we do but let's go back to the mandate of the committee because the mandate of the committee is to enquire on any report and take action.

There is nobody who is handicapped here. When members are complaining, it's our mandate to do what is right. We have always had some complains that some departments are underfunded especially the department of Gender, Youths and Sports. Look at observation one; that the department was unable to justify even the salary and salary is first charge and if an Accounting Officer cannot account for the salary that he paid the staff then that person is unfit to hold that office.

How I wish that even the committee in its own wisdom through the recommendation they could have come up clearly that now it seems the Accounting Officer has failed, he/she is unfit to hold the office. That is also the beginning of our mandate but now look at the way we normally observe and recommend and allow me say this in good faith. In fact we do appreciate our staff because they are really doing a lot of work for us but let's also take time ,analyse the statements that we normally append our signature on.

Do they carry our mandate, do they justify our report. Otherwise, if we could say that such officers would step aside then the County could be in the right projection. Again, it has come at the right time during the first supplementary and the way things are such departments if we cannot account for what was meant for Kanduyi stadium almost 9,000,000 it's like unjustified so how I wish that even the Chairs of these committees be hard on executive during interrogation. Otherwise, I support.

**Mr. Speaker:** Hon .Tony, you will be given the chance to speak but next time you must have your ATM card for logging in. It has been spoken? Hon. Isaiah Sudi!

**Hon. Isaiah Sudi:** Hon. Speaker, thank you for catching my eye, I also want to make comments on a report .I have gone through the report and just to add on what Hon. James has said ,implementation is also an issue.

You remember in our last session, a motion was passed that moving forward every sub county should organise and have a dumpsite and that must be done by the executive by putting money in the budget. Have you ever seen any money in the budget from all the budgets that we have passed? It was just passed and ignored; which means what we pass here and there is no action from the executive. I want to urge this House, you must wake up because all that you do here it's like nobody takes us seriously because we call them here, they will come but as soon as they leave, they say thank you God, they will not do anything because we are toothless.

I want to agree with Hon. Mukhongo, he said implementation and this touches on the CEO. I think we are just too lenient. Yesterday, I was talking with Hon. Mukhongo and I asked him, the last regime you were very active criticising the Government and so many things happened, why you can't do the same. I am happy he has said that he has come and he is no longer the same.

*(Laughter)*

Because maybe that one might change the scenario that we have in the County now, because as we sit here, it's like we just come here, talk to ourselves and go home. Nobody is taking us seriously. This House allocated money in the department of Lands to expand the dumpsite. Nothing has happened up to now. They say they want land with a title deed and where they are dumping the land does not have a title deed. Look at the Government that we have.

The problem is implementation. Even if you call a Chief Officer here, you are talking to yourself so, I want to urge my colleagues that we must change as Chinua Achebe said that now that people have learnt to shoot without missing, birds have also decided to fly without perching, so members you must also change our tactics, we must change our style of over sighting the Government.

*(Applause)*

**Mr. Speaker:** Thank you, Hon. Sudi. I will have Hon. Jeremiah.

**Hon. Jeremiah Kuloba:** Asante Bwana Spika kwa kunipa nafasi. Langu nina huzuni moyoni ninapoona hatua kama hii ambayo ilichukuliwa na mapendekezo ambayo yametolewa na kamati. Sijaona wakisema kuwa huu ni ufujaji wa pesa za umma. Mapendekezo ambayo yangetolewa yangekuwa kuwa wale ambao hawajakuwa na uwazi katika matumizi ya fedha hizi za umma ambazo zilitarajiwa kutengeneza huu uwanja wachukuliwe hatua. Sioni hayo katika ripoti hii.

Katika sehemu ya kumi na moja, kumi na mbili, kumi na tatu, fedha zimetolewa lakini haionyeshi fedha hizo zimetumika kufanya kazi gani. Kwa hivyo ni ripoti nzuri, nanaiunga mkono lakini mkwaju utolewe kwa wale ambao walifuja hizo fedha ambazo watu huko nje wanatuona kuwa sisi ndio tumetumia hizo fedha, wanasema sisi kama wawakilishi wao hata hao wazungumzii juu ya hawa ambao wanatakiwa kutekeleza hii miradi, wanazungumzia juu ya wawakilishi wa wadi ambao wamekula hizo fedha. Wakati kazi inaposimama kama ya uwanja huo sisi ndio tunaelekezwa kidole, hakuna mtu mwingine ama idara ile ambayo inahusika inaelekezwa kidole.

Natembea nikijidharau wakati mwingine. Juzi tukiwa Uganda, tuliona mambo tofauti. Tunataka utenda kazi kama ule wa kile kiwanja ambacho tuliona. Hatua ichukuliwe kwa wale ambao walifuja fedha hizo katika mapendekezo hayo, moja ya pendekoz liwe kwamba wale ambao walivuja pesa hizo wachukuliwe hatua.

**Hon. Job Mukoyandali (Mover):** Thank you, Hon. Speaker. Let me thank all the members who have taken part in contributing to this motion. As can see, a lot is happening within the executive and what Hon. Mukhongo has said is exactly what we should be doing; lets crack a serious whip, let this House stand firm so that we correct this mess.

The issue of pending bills is always coming up but as you can see in the report, money has been allocated then eventually that money is not paid. There is one time that department requested for almost KShs.60Million which we provided in the budget and they eventually went ahead not to pay that money to the contractor of Masinde Muliro Stadium. The report has shown us that there a lot of diversion of money which we have noted and they are not even doing it in consideration of the PFM Act; they come up with work plans that they are only using for the approval of the budget but when the budget is approved they discard the work plans.

Just like members have noted, we need to crack a serious whip to the executive so that they wake up and begin working. I would like to urge this House to approve this report.

**Mr. Speaker:** Thank you Hon. Job for the reply to the motion.

*(Question put and agreed to)*

#### **REPORT BY THE SECTOR COMMITTEE ON FINANCE AND ECONOMIC PLANNING ON THE FOURTH QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2023/24**

**Hon. Tony Barasa:** Thank you, Hon. Speaker. I want to confirm my membership to the committee and I have duly signed...

**Mr. Speaker:** Hon. Tony, you can only be allowed to move a report because you are a member

**Hon. Tony Barasa:** Thank you. Hon. Speaker, report on 4<sup>th</sup> quarter financial statements for the financial year 2023/24

### **Preamble**

I present the report by the Committee on Finance and Economic Planning for the 4th quarter Financial Statements for the Financial Year 2023/2024 for period ended 30th June 2024. The report was tabled in this County Assembly of Bungoma on 16<sup>th</sup> October 2024 and stood committed to Finance and Economic Planning Sectoral Committee for interrogation, input and recommendation through a report to this Honorable House.

The Committee critically analyzed the report and had an engagement with department on 7<sup>th</sup> November 2024 to clarify on areas of concern out of which this report was generated...

**Hon. Joseph Nyongesa:** (*On a Point of Order*) Thank you, Mr. Speaker. It is a very critical issue, I don't know if it is affecting me alone or all members because I have checked through my gadget and I am only having one report for the Youth and Sports, this one of Finance I don't have, I don't know if it is affecting me alone or all members

*(Loud consultation)*

**Mr. Speaker:** Hon. Members, when you check on our plenary wall, the report for Finance was sent at 10:04am, today and then the one we have been reading was sent at 10:05. That is the main wall which we share documents from. If you had the one for Youths then you must have the one for Finance, maybe the member is short of bundles, we can understand. Let's proceed

**Hon. Joseph Nyongesa:** Hon. Speaker, it is not that I am short of bundles, even wifi is not working, what I am using is just my bundles. I received in my email yesterday the report of Youths, that was very clear, but if it is on the wall then let me check because I am a member.

**Mr. Speaker:** Let's proceed members please

**Hon. Tony Barasa:** Your word is always final Hon. Speaker.

### **Committee membership**

The Committee comprises of the following members;

1. Hon. James Mukhongo	Chairperson
2. Hon. Orize Kundu	Vice Chairperson
3. Hon. Stephen Wamalwa	Member
4. Hon. Everton Nganga	Member
5. Hon. Aggrey Mulongo	Member
6. Hon. Vitalis Wangila	Member

7. Hon. Everlyne Mutiembu	Member
8. Hon. Violet Makhanu	Member
9. Hon. Tony Barasa	Member
10. Hon. George Makari	Member
11. Hon. Jack Kawa	Member
12. Hon. Francis Chemion	Member
13. Hon. Godfrey Mukhwana	Member
14. Hon. Christine Mukhongo	Member
15. Hon. Jerusa Aleu	Member

### **Acknowledgment**

I take this opportunity to thank all Hon members of the Committee and secretariat for dedicating their time to interrogate the Finance and Economic Planning departments 4<sup>th</sup> Quarter Financial Statements for the Financial Year 2023/2024 for period ended 30<sup>th</sup> June 2024.

Further, this Committee extends its gratitude to the Executive Arm of the County Government, for the role they played in offering explanations and supporting documents as requested by the Committee

Lastly, the Committee is grateful to the offices of the Speaker and the Clerk to the County Assembly of Bungoma for logistical support received as it discharged its mandate.

It is therefore my privilege, on behalf of the Committee on Finance and Economic Planning, to table this report.

Signed by Hon. James Mukhongo, MCA Chwele/Kabuchai and Chairperson committee on Finance and Economic Planning.

### **Overview of FY 2023/24 Budget**

The County's approved 2nd supplementary budget for the Financial Year 2023/24 was Kshs. 15,243,651,077 comprising Kshs. 5,284,307,323 (35%) and Kshs. 9,959,343,755 (65%) allocation for development and recurrent programmes, respectively

The largest part of the budget is expected from exchequer issues contributing 73% of the requirement, local revenue 13% and other receipts including grants 14%.

To finance the budget, the County expects to receive Kshs. 11,111,983,608 as the equitable share of revenue raised nationally, Kshs. 1, 162,071,383 as Facility Improvement Fund (revenue from health facilities), Kshs. 1,463,020,370 as conditional grants from both government and development partners, Kshs. 213,023,948 fund balances, generate Kshs.868, 201,471 as ordinary own-source revenue and Kshs.150m from retention account. Kshs.275, 350,297 was brought forward as opening balance as at July 1<sup>st</sup>

## RESOURCE ENVELOPE AND REVENUE PERFORMANCE 2023-2024

<b>A. REVENUE</b>				
NO.	Source	Approved 2nd Sup. FY 2023/24	Actual realized	%
1	Transfers from Central Govt	11,111,983,608	10,223,024,920	92
2	Grant- National Govt & Devt partners	1,463,020,371	727,696,364	50
3	Funds	213,023,948	55,357,076	26
4	AIA& Local revenue as per finance act	2,030,272,854	1,099,396,441	54
5	Return issues to CRF		606,980	
6	Opening balances for non-refundable bank balances( <i>retention</i> )	425,350,297	244,543,335	57
	<b>Total</b>	<b>15,243,651,077</b>	<b>12,350,625,117</b>	<b>81</b>

Out of the projected revenue of Kshs.15, 243,651,077, below is a breakdown of revenue received within the period to June 2024. The county received a total of Kshs.12, 350,625,117 (81%) of budget. Kshs. 10,223,024,920 being exchequer release, against a budget of Kshs.11,111,983,608 (92%),Kshs.1,099,396,441 as local revenue against a budget of Kshs.2,030,272,854 (54%) and Kshs. 1,027,596,775 as other receipts from other government agencies ,return to CRF issues Kshs.606,900

The total Grants Kshs. 727,696,364 entails:

- Development partners Kshs. 663,696,364
  - NARIGP Kshs. 4,729,897
  - NAVCDP Kshs. 195,112,952
  - KELCLOP Kshs 31,650,142
  - DANIDA Kshs. 16,227,750
  - ASDSP II Kshs. 1,593,849
  - FFLoCA Kshs. 331,781,944
  - KISP II Kshs. 82,599,830

- National Government Kshs. 64million for Aggregated Industrial Park program.

It is important to note that 345.7million worth of grants from National Government were not released and it had a considerable impact on the budget: Kshs. 58.7 million shillings earmarked for the equalization fund, 45 million shillings expected from the Rural Electrification and Renewable Energy Corporation (REREC), and 242 million shillings for the fertilizer subsidy program were not disbursed.

Of the amount received, Kshs. 1,225,248,281 was transferred to County Assembly Kshs.93,010,115 was utilized on development programmes while Kshs.1, 132,238,166 on recurrent.

Kshs. 9,158,277,714.00 was transferred to the Executive, Kshs.2, 373,979,682 being development and Kshs.6, 784,298,032 recurrent.

### Own source revenue

Most revenue streams did not perform well with key revenue streams recording way below expected target. The table below shows how each of the revenue stream performed realizing a total of Kshs. 1,099,396,441. The county realized 54% of the set target of Kshs. 2,030,272,854.

Out of the total collection, Kshs.691,875,874 was realized from AIA against a target of Kshs.1,162,071,383 (60%).Kshs.618,550,575 was from level 4 and 5 Hospital facilities,Kshs.60,086,574 from level 1,2 and 3 hospitals and Kshs.13,242,574 from Vocational Training Centres. In the previous financial year 2022/23, Health Facilities collected Kshs.743, 911,773, a negative variance of Kshs. 52,035,899. Local revenue sources collected Kshs. 408,313,055 against a budget of Kshs.868, 201,471 (47%).This should guide target setting financial year 2024/25 to avoid hidden budget deficit.

The core sources of revenue performed as follows, Hospital fees achieved 59%, single business permit 51%, Administration control fees 27%, market fees 45%, Cess 30%, land rates 49%,advertising 22%,property rent 36%, Physical Planning and Development 33% public health services 18% against the budget.

Receipt	Budget	Actual collection	Variance	% Of Realization
<b>County Own Source Revenue</b>	Kshs	Kshs	Kshs	Kshs.
Hospital Fees	1,152,938,163	678,633,149	- 474,305,014	59%
Single/Business Permits	228,921,263	115,605,431	- 113,315,832	51%
Administration Control Fees and Charges	149,913,598	40,693,046	- 109,220,552	27%

Market Fees	98,427,988	44,643,875	-	53,784,113	45%
Cess	70,192,478	21,274,695	-	48,917,783	30%
Parking Fees	101,517,423	70,686,786	-	30,830,637	70%
Land/Poll Rate	47,500,495	23,198,375	-	24,302,120	49%
Advertising	42,967,742	9,385,390	-	33,582,352	22%
Public Health Service Fees	23,076,730	4,062,101	-	19,014,629	18%
Conservancy Administration	30,100,000	14,029,112	-	16,070,888	47%
Property Rent	30,569,789	15,374,769	-	15,195,020	50%
Physical Planning and Development	23,608,481	7,823,492	-	15,784,989	33%
Other Fines, Penalties, And Forfeiture Fees	6,793,200	724,300	-	6,068,900	11%
Public Administration	-	-			
Other Revenue Sources	-				
Education, Science and ICT	9,133,220	13,242,725		4,109,505	145%
Hire Of County Assets	9,073,724	14,709,411		5,635,687	162%
Miscellaneous Receipts	5,538,560	25,309,785		19,771,225	457%
<b>Total County Own Source Revenue</b>	<b>2,030,272,854</b>	<b>1,099,396,442</b>		<b>-930,876,412</b>	<b>54%</b>

### County Expenditure review

#### Payments Budget Vs Actual

Total expenditure for the period was Kshs.11, 892,754,940 (96.2%) of total money received leaving a balance of Kshs. 457,870,176. The total recurrent expenditure for the period was

Kshs. 8,795,796,751, which is 88% of the budgeted amount of Kshs. 9,959,343,754. Expenditure for the period was below the 100% mark because of delay in release of funds from the National Government and inability to meet the target collection from own source revenue. The expenditure on development amounted to Kshs. 3,096,958,189, which is 59% of the target budget of Kshs. 5,284,307,323

<b>Expenditure</b>	<b>Expenditure budget</b> <b>Kshs.</b>	<b>Actual Expenditure</b> <b>Kshs.</b>	<b>Realization %</b>
Recurrent	9,959,343,754	8,795,796,751	88
Development	5,284,307,323	3,096,958,189	59
<b>Total</b>	<b>15,243,651,077</b>	<b>11,892,754,940</b>	78

Kshs.11, 500,844,136 was transferred from County Revenue Fund and distributed as follows,

- i. County Executive recurrent Kshs.6,784,298,032
- ii. County Executive Development Kshs 2,373,979,682
- iii. County Assembly recurrent Kshs. 1,132,238,166
- iv. County Assembly Development Kshs. 93,010,115
- v. Transfers from other government agencies (donors) Kshs.663,696,364
- vi. Transfer from other government entities (industrial park) Kshs.64m

**The major expenses during the period were:**

1. Compensation to employees Kshs.4, 839,623,225, compared to Kshs.5, 533,936,483 utilized same period previous financial year 2022/23 being a negative of Kshs 694,313,258 difference)

- i. These are
  - i. basic salary permanent employees Kshs.4,438,699,312 against Kshs.4,784,554,673 previous year
  - ii. Basic wages temporary staff Kshs.194,798,749 against Kshs.192,469,861
  - iii. Personal allowances paid as part of salary Kshs.113,903,769 against Kshs.215,569,943 previous year

iv. Employer contribution to compulsory national entities Kshs.89, 062,917 compared to Kshs.307, 708,967 previous year which was a serious drop.

The total budget for personnel stands at Kshs. 5,992,141,777 excluding County Assembly's. This expenditure represents absorption of 80.7% .Salaries for the months of May and June were paid after end of Financial year through borrowing from the bank.

### Compensation to employees

	Period ended June 2024	Comparative Period	variance
	Kshs	Kshs	Kshs.
Basic salaries of permanent employees	4,438,699,312	4,784,554,673	- 345,855,362
Basic wages of temporary employees	194,798,749	192,469,861	2,328,887
Personal allowances paid as part of salary	113,903,769	215,569,943	- 101,666,174
Personal allowances paid as reimbursements	3,158,479	-	3,158,479
Employer contribution to compulsory national social schemes	89,062,917	307,708,967	- 218,646,050
Pension and other social security contributions		15,961,038	
Other personnel payments		17,672,000	
<b>Total</b>	<b>4,839,623,225</b>	<b>5,533,936,483</b>	<b>- 694,313,258</b>

2. Use of goods and services Kshs.2,712,314,233,281 compared to Kshs.3,542,003,307 same period previous year a variance of Kshs.829,689,010 .Major expenses were,

- utilities Kshs.57,299,976,
- communication supplies Kshs.24,362,992,
- domestic travel and subsistence allowance Kshs.504,033,018 against Kshs.785,383,166 previous year

- d. foreign travel and subsistence Kshs.5,612,875 compared to 26,268,233 ,
- e. printing advertising Kshs.13,546,176 compared to Kshs.82,640,060 previous period ,
- f. rentals Kshs.38,770,036 compared Kshs.31,269,180 ,
- g. Training Kshs.6,532,520 compared to Kshs.128,077,573 previous period
- h. Hospitality supplies and services Kshs.317,792,497 compared to Kshs.560,619,368.
- i. Insurance costs Kshs.258,677,705 compared to Kshs.213,854,710
- j. specialized materials and services, Kshs.603,272,798
- k. Office and general supplies Kshs.51,166,620 compared to Kshs.90,174,011
- l. Fuel and lubricants Kshs.75,243,236 compared to Kshs.112,727,878
- m. other operating expenses, Kshs.674,920,359 compared to Kshs.626,460,471
- n. Routine maintenance-vehicles & other equipment Kshs.23,289,670 compared to Kshs.91,621,446
- o. Routine maintenance other assets Kshs.57,793,817 compared to Kshs.101,860,599 previous comparative period

	Period ended June 2024	Comparative Period	variance
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Domestic travel and subsistence	504,033,018	785,383,166	- 281,350,147.65
Hospitality supplies and services	317,792,497	560,619,368	- 242,826,871.45
Training expenses	6,532,520	128,077,573	- 121,545,053.45
Printing, advertising and information supplies & services	13,546,176	82,640,060	- 69,093,883.55
Routine maintenance – vehicles and other transport equipment	23,289,670	91,621,446	- 68,331,776.15
Routine maintenance – other	57,793,817		- 44,066,781.75

assets		101,860,599	
Office and general supplies and services	51,166,620	90,174,011	- 39,007,390.90
Fuel Oil and Lubricants	75,243,236	112,727,878	- 37,484,642.12
Foreign travel and subsistence	5,612,875	26,268,233	- 20,655,358.00
Communication, supplies and services	24,362,992	39,052,832	- 14,689,840.20
Utilities, supplies and services	57,299,976	62,723,374	- 5,423,397.96
Rentals of produced assets	38,770,036	31,269,180	7,500,855.90
Specialized materials and services	603,272,798	589,270,404	14,002,393.87
Insurance costs	258,677,705	213,854,710	44,822,994.75
Other operating expenses	674,920,359	626,460,471	48,459,887.97
<b>Total</b>	<b>2,712,314,296</b>	<b>3,542,003,307</b>	<b>- 829,689,010.69</b>

3. Transfer to other Government entities includes:

- i. County Assembly Kshs. 1,225,248,281
- ii. Vocational Training Centres Kshs.14, 985,000

4. Other grants and payments Kshs.850,521,133 composed of Scholarships Kshs.188,194,700 compared to Kshs.465,767,042 previous year and other capital grants and transfers Kshs.662,326,433 compared to Kshs.499,310,490 same period previous year 2022/23.

5. Social security benefits Kshs.37, 820,714 compared to Kshs.66, 673,420 previous financial year. This is gratuity for the Chief Officers and CEC members, governor and DG paid to lap trust, pension fund. Included in financial year 2022/23 is Kshs.15, 299,339 gratuity paid to members of County Assembly.

6. Acquisition of assets Kshs.2, 091,872,220 which are majorly development projects. The major expenses being overhaul and refurbishment of construction and civil works Kshs.1,525,725,182 ,rehabilitation of civil works Kshs.211,954,662,construction of roads Kshs.173,620,350 etc.

7. Other payments (contingency reserves and other payments) Kshs.120, 370,071 against Kshs.131,600, 716 previous year.

### Receipts and payments

#### Statement of receipts and payments for the period ended June 30th 2024

<b>Receipts</b>	<b>Period ended June 2024</b>	<b>Comparative period 2023</b>
	<b>Kshs.</b>	<b>Kshs</b>
Exchequer releases from CRF	10,223,024,920	10,659,435,192
Proceeds from domestic & foreign grants (ASDSP)	663,696,364	256,762,319
Transfer from other government entities	64,000,000	
Own source revenue	1,099,396,441	1,119,187,035
Other receipts(return to CRF issues)	606,980	1,111,963
<b>Total receipts</b>	<b>12,050,724,705</b>	<b>12,036,496,509</b>
<b>Payments</b>		
Compensation to employees	4,839,623,225	5,533,936,483
Use of goods and services	2,712,314,296	3,542,003,307
Transfer to other government entities	1,240,233,281	28,103,856
Other grants & transfers	850,521,133	971,171,131
Social security benefits	37,820,714	66,673,420
Acquisition of assets	2,091,872,220	2,412,128,282
Other payments	120,370,071	131,600,716
<b>Total payments</b>	<b>11,892,754,940</b>	<b>12,685,617,195</b>
<b>Surplus/deficit</b>	<b>157,969,765</b>	<b>-649,120,686</b>

#### **Statement of budgeted Vs Actual amounts for the period ended 30<sup>th</sup> June 2024 (recurrent and development)**

Total cash received was Kshs.11, 892,754,940 which was 78% of the total budget. Exchequer release received of Kshs.10, 223,024,920 was 92% of the budgeted Kshs.11, 111,983,608, this is because the National Government did not remit exchequer for the month of June.

Own source revenue Kshs.1, 099,396,441 was 54% of budgeted Kshs.2, 030,272,853. Proceeds from domestic and foreign grants of Kshs.727, 696,364 received are 50% of budgeted Kshs.1, 463,020,371.

Opening bank balances non-refundable balances on special purpose accounts e.g. DANIDA of Kshs.244, 543,335 was 57% of the total budget Kshs.425, 350,297 and grants received by fund accounts Kshs.55, 357,076.

#### Budget Vs Actual expenditure

<b>The Receipts/expenses</b>	<b>Budget</b>	<b>Actual</b>	<b>variance</b>	<b>%</b>
Exchequer releases	11,111,983,608	10,223,024,920	888,958,688	92
Proceeds from domestic and foreign grants	1,463,020,371	727,696,364	735,324,007	50
Own generated revenue	2,030,272,853	1,099,396,441	930,876,412	54
Return to CRF		606,980	-606,980	
Opening bank balance non-refundable bank balances in special purpose accounts eg DANIDA	425,350,297	244,543,335	180,806,962	57
Grants received by fund account	213,023,948	55,357,076	157,666,872	26
<b>Total</b>	<b>15,243,651,077</b>	<b>12,350,625,116</b>	<b>2,893,025,961</b>	<b>81</b>
<b>Payments</b>			0	
Compensation to employees	5,801,525,584	4,839,623,225	961,902,359	83
Use of goods & services	2,844,324,146	2,712,314,296	132,009,850	95
Transfer to other government units	1,283,975,880	1,240,233,281	43,742,599	97
Other grants and transfers	2,107,116,526	850,521,133	1,256,595,393	40
Social security benefits	42,491,305	37,820,714	4,670,591	89
Acquisition of assets	2,924,746,847	2,091,872,220	832,874,627	72
Other payments	239,470,789	120,370,071	119,100,718	50

<b>Total</b>	<b>15,243,651,077</b>	<b>11,892,754,940</b>	<b>3,350,896,137</b>	<b>78</b>
<b>Surplus/(Deficit)</b>		<b>457,870,176</b>	<b>-457,870,176</b>	

### Accounts receivables –Imprest

The County had Kshs.74, 564,684 outstanding imprest compared to Kshs.30,994,011 recorded same period last year. Finance and Economic Planning Directorate had the highest un surrendered imprest of Kshs.21,118,650 followed by County Secretary with Kshs.13,339,680, Public Administration Kshs.12,167,820, Governor's office with Kshs.9,253,778.

<b>Department</b>	<b>Amount</b>	<b>comparative period</b>
Finance & Economic Planning	21,118,650	21,299,150
County Secretary	13,339,680	5,320,700
Public Administration	12,167,820	1,347,000
Governors	9,253,778	1,339,200
Lands & Housing	5,651,820	300,000
Education	5,626,575	
Health & Sanitation	3,978,100	
Tourism & Environment	2,240,300	
Gender and Sports	699,000	899,000
Roads and Public Works	488,961	488,961
<b>Total</b>	<b>74,564,684</b>	<b>30,994,011</b>

Kshs.11,482,650 of the imprest in the Finance and Economic Planning department dates back to 2018 ,Kshs.4,772,500 to 2023 raising serious concerns on the recoverability of this money. The committee invokes PFM Regulation 93(7) and holds the accounting officer responsible for the outstanding imprest and the breach of financial regulations.

<b>Date Imprest Taken</b>	<b>Name Officer Or Institution</b>	<b>Of Or Warrant No.</b>	<b>Personal Number</b>	<b>2022-2023</b>

					<b>Kshs</b>
13/9/2023	Benard Lumba	4775604	20200046094	FACILITATION FOR FINANCE BILL	3,640,000
13/12/2018	Ann Ngano	3551971	20150017833	CEF PROJECT STATUS	1,214,900
22/10/2018	Augustine Kipsang'	3170909	2007004013	CEF PROJECT STATUS	3,455,750
5/15/2023	Mercy Kisaka	4572757	20170090436	FACILITATION FOR SPECIAL POLICY FORMULATION	1,132,500
22/10/2018	Dunstone Wafula	3150748		KDSP ACTIVITIES	3,801,000
5/10/2018	Eldah Mutila Nancy Sikhila	3150746	20150029351	M & E ACTIVITIES	3,011,000
					<b>16,255,150</b>

## Accounts payable

### Deposits and Retentions

As at 30<sup>th</sup> June, the cash maintained in the deposit account was Kshs.262, 034,469 compared to Kshs.272, 608,533 held same period the previous financial year. The retention account made total payment of Kshs. 193,197,584 (286,507,955 march) in the period under review. The details of the items paid worth Kshs. 193.1m were not provided.

The County treasury also made a borrowing of Kshs.150m from the retention account to finance the budget, but the financial statements is silent on the expenditures and outstanding obligation on the retention account. However CBROP recognizes the amount as part of the resource envelop.

Notable is the listing of the contractor retention monies as pending bills yet the account reads a balance of Kshs. 262 million. This discrepancy raises concerns about the accuracy of the pending bills statement and the management of the retention account. To address this issue, the treasury should provide a comprehensive report detailing the operations of the retention account, including all transactions and balances. Additionally, the Treasury should furnish this committee bank statements for the retention account as of the close of the financial year.

Outstanding retentions bf 1<sup>st</sup> July 2023

272,608,533

Additions during the period to June 2024	182,623,520
<b>Total balance</b>	<b>455,232,053</b>
Less retention payments in the period	193,197,584
<b>Balance as at 30<sup>th</sup> June 2024</b>	<b>262,034,469</b>

### Pending Bills

The financial statement illustrates that at the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1, 244,506,681. Kshs. 314,030,609 was paid during the period leaving a balance of Kshs. 930,476,072. The information contradicts the data provided in the ADP 2024 indicating the pending bills amounts Kshs. 3.08 billion.

Department	Balance at the beginning of the year July 2023	Amount paid During the year 2023/2024	Outstanding Balance June 2024
Agriculture	106,085,469	37,230,938	68,854,531
county public service board	7,779,830	164,850	7,614,980
county Secretary	8,708,071	2,400,120	6,307,951
Education	13,160,777	1,657,500	11,503,277
Finance	411,641,653	1,240,660	410,400,993
Gender	8,056,329	-	8,056,329
Gender, Youth & sports	28,489,162	8,743,406	19,745,757
Governors	7,989,768	2,965,800	5,023,968
Health	133,583,084	75,976,908	57,606,175
Housing	3,829,837	3,014,704	815,133
Lands	3,347,029	3,182,241	164,788
Municipality	2,117,740	298,670	1,819,070
Public administration	30,333,181	19,624,169	10,709,012

Roads	287,682,258	49,020,170	238,662,089
Trade	136,086,017	84,793,391	51,292,625
Water	45,003,449	22,275,333	22,728,116
Water & Tourism	10,613,026	1,441,750	9,171,276
<b>Grand Total</b>	<b>1,244,506,681</b>	<b>314,030,609</b>	<b>930,476,072</b>

### ADP pending bills

<b>Sector/programme</b>	<b>Contract amount (Kshs.)</b>	<b>Amount paid (Kshs.)</b>	<b>Outstanding balance (Kshs.)</b>
Agriculture, Urban and Rural development	1,389,384,735.88	466,744,182.00	456,773,967.15
<b>Development</b>			
Energy, Infrastructure and ICT	815,559,117.66		815,559,117.66
General Economic and Commercial Affairs	75,464,155.00	30,736,155.00	44,728,000.00
Health Sector	132,190,946.00	-	130,814,391.00
Education Sector	218,000,000.00	17,000,000.00	201,000,000.00
Public Administration Sector	195,976,820.00	19,316,062.00	176,660,758.00
Recreation, Culture and Social Protection	902,401,183.20	738,432,631.00	163,967,819.50
Environmental Protection, Water and	1,098,378,003.20	-	1,098,378,003.20
Natural Resources			
<b>Grand Total</b>	<b>4,827,354,960.94</b>	<b>1,272,229,030</b>	<b>3,087,882,056.51</b>

### Finance and Economic Planning

The Department had an initial allocation of Kshs.1,263,723,407 in the approved budget, this was enhanced to Kshs.1,520,256,593 in the 1<sup>st</sup> supplementary budget, distribute as Kshs.1,174,255,850 recurrent and Kshs.336,594,760 development expenditure. During the period, Kshs.1, 228,500,083 was received which is 81% of budget.Kshs.1, 122,628,732 being recurrent and Kshs.105, 871,352 development.

1. General Administration, Planning and support services with an allocation of, Kshs.1, 013,512,824 received Kshs.965, 939,040 (95%) during the period.Kshs.892, 967,688 being recurrent expenditure and Kshs.72, 971,352 development.

Major expenses were:

- i. Personnel expenditure Kshs.355, 967,688 against a budget of Kshs.398, 061,815 which is 89% of budget.
- ii. Administration services received Kshs.383, 720,138 as recurrent and Kshs.72, 971,352 as development against a budget of Kshs.460, 751,741 (99% absorption).
- iii. Employer contribution to staff pension with a budget of Kshs.154, 699,268 received Kshs.153, 591,687 during the period,(99%).
2. County Planning Management with an allocation of Kshs.125, 031,271 received Kshs.120, 978,296 during the period as recurrent expenditure being 97 % absorption.

The major expenses were:

- i. Economic Policy and County Planning services Kshs.23, 689,966
- ii. Budgeting Kshs.81, 695,441
- iii. Monitoring and evaluation Kshs.15,592,889
- iv. Resource mobilization strategies and enforcement of revenue collection allocated Kshs 5m each had the money reallocated to other votes.
3. County Financial services with an allocation of Kshs.90, 264,226, received Kshs. 82,576,744 on recurrent expenditure, which is 91 % absorption.

The major expenses were:

- i. Revenue mobilization Kshs.28,213,405
- ii. Accounting services Kshs.19,429,230
- iii. Audit services Kshs.17,577,880
- iv. supply chain services Kshs.17,356,229
4. Service delivery and organizational transformation with an allocation of Kshs.291, 448,272 received Kshs.59, 006,004 in the period (20%). Kshs.26, 106,004 being recurrent and Kshs.32, 900,000 developments.

Major expenses were:

- i. Special Coordination unit was Kshs.14,309,930
- ii. System enhancement received Kshs.11, 796,074 against a budget of Kshs.20m (59%)
- iii. Emergency fund with an allocation of Kshs.160,415,731 had no expenditure in the period yet in Q3 report it was reported Kshs.59m was received with Kshs.51,769,023 being development and Kshs.7,941,490 being recurrent expenditure. According to COB report, expenditure was Kshs. 57,763,618 .A figure that was confirmed by the Emergency fund report received at the Assembly for period ending June 2024.The fund only received Kshs.10m on its bank account from exchequer in the period, it had an opening balance of Kshs. 52,334,387

brought forward on July 1<sup>st</sup> 2023. Kshs.48, 118,656 held in in CBK and Kshs.4, 215,731 held in KCB.

- iv. Special delivery unit and investment initiative allocated Kshs.5m each had there allocation reallocated to other votes.
- v. Maintenance of computer software and network allocated Kshs.12m had no expenditure in the period
- vi. Purchase of software Health management system allocated Kshs.37, 955,528 received Kshs.32.9m
- vii. ICT-Purchase of ICT networking and Communications Equipment Kshs.33,250,000 had no expenditure in the period since the money was held in Finance and Economic Planning yet the section is under Public Administration

## COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

### Observations

The following are observation noted by the Committee;

1. The Financial statement does not recognise health facilities as distinct entities since there expenditure has been consolidated with the health head quarter budget making it difficult to ascertain their financial operations yet they receive distinct budgets.
2. The Kshs.150m borrowed from retention account to finance budget financial year 2023/24 will be refunded in 1<sup>st</sup> supplementary budget year 2024/25.
3. The retention account has a balance of Kshs. 262.03 million yet contractor retention monies have been captured under Pending bills given that this funds should be retained and paid as and when they fall due. The listing of the contractor retention monies as pending bills yet the account reads a balance of Kshs. 262 million, is a discrepancy that raises concerns about the accuracy of the pending bills statement and the management of the retention account. To address this issue, the treasury should provide a comprehensive report detailing the operations of the retention account, including all transactions and balances. Additionally, the Treasury should furnish this committee with bank statements for the retention account as at 30<sup>th</sup> June 2024.
4. The financial statement illustrates that at the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1, 244,506,681. Kshs. 314,030,609 was paid during the period leaving a balance of Kshs. 930,476,072. The information contradicts the data provided in the ADP 2024 indicating the pending bills amounts Kshs. 3.08 billion.
5. On the status of unspent funds in the FY 2023/24: There are concerns regarding unpaid salaries across most departments for May and June. The available June exchequer balance of Kshs. 898 million falls short of covering these two months' salary obligations. Additionally, there remains an unspent development balance of Kshs 2.1 billion, while major recurrent expenditure commitments, including Kshs. 216 million for bursaries and scholarships, along with pending medical insurance payments of 98 million, yet there is no substantial exchequer balance to be carried forward to FY 2024/25. The executive did not clarify the issues nor provide the correct status of the balances to be brought forward for these critical recurrent expenditures and development funds.
6. Emergency fund had an allocation of 160million as per the 2<sup>nd</sup> supplementary budget. There were projects implemented worth Kshs.57m from the fund report yet Financial Statements report indicated zero expenditure.

7. Inconsistencies in Financial Reporting: Critical discrepancies have been identified in the financial reporting processes, where expenditures previously documented in both half-year and nine-month financial statements are notably absent from the annual consolidated reports. There are also inaccuracies in the recording of approved budget figures across various programmes and sub-programmes within departments. These systemic inconsistencies appear to be instances of arbitrary figure adjustments rather than accurate financial representation. There is need to support the reporting unit under the county treasury.
8. Resource mobilization strategies and enforcement of revenue collection allocated Kshs 5m each had no expenditure in the period, yet revenue collection against target was just 54% an indication that the department does not prioritize revenue enhancement measures
9. Purchase of ICT networking and Communications Equipment Kshs.33,250,000 had no expenditure in the period, denying the section money to finance operations under Public Administration
10. It is not clear whether purchase of heath management system software allocated Kshs.37, 955,528 with an absorption of Kshs.32.9m is already in operation and whether it has improved revenue collection and accountability in the Health sector
11. Under use of goods and services, the county Government spent Kshs. 6,532,520 on training, yet there was no budgetary allocation towards training in the year
12. The County had Kshs.74,564,684 outstanding imprest compared to Kshs.94,590,905 recorded in Quarter 3. Finance and Economic Planning Directorate had the highest un-surrendered imprest of Kshs.21,118,650 followed by County Secretary with Kshs.13,339,680, Public Administration Kshs.12,167,820, Governor's office with Kshs.9,253,778. Some staff have multiple un-surrendered imprest in total contravention of the PFM Act. One has no payroll number of the staff who took the imprest.
13. Disclosure notes on the composition of other payments of Kshs.56.3 , civil contingency reserve Kshs.64 million and other operating expenses of Kshs. 674.9 million were not provided
14. Outstanding imprest dating back to 2018

### Committee Recommendations

1. **THAT**, the Treasury must recognise health facilities as distinct entities and prepare financial statements for each separate from Head quarter.
2. **THAT**, the department should cease listing contractor retention as pending bills and pay the money as and when it falls due, and immediately after submission of 1<sup>st</sup> Supplementary budget, The County Executive Committee Member of finance should prepare a comprehensive report detailing the operations of the retention account and the bank statements for the retention account as at 30<sup>th</sup> June 2024 and submit the report to the County Assembly thirty (30) days after submission of 1<sup>st</sup> supplementary budget 2024/2025.
3. **THAT**, the County Executive Committee Member of Finance and Economic Planning should consistently provide an accurate position of pending bills and prioritize their payment as first charge to money allocated to enable completion of projects and inject funds into the county economy, further the said Officer should

immediately after adoption of this report organize a forum with Honourable members and give a true status of pending bills in the County.

4. **THAT**, the Chief Officer department of Finance should clarify the correct status of the balances to be brought forward for critical recurrent expenditures and development funds financial year 2023/24 thirty days after adoption of this report and submit to the Committee the report.
5. **THAT**, the Treasury should treat emergency fund as so and transfer all money due to the fund to its account to allow it furnish financial statements as expected by PFM Act 2012 section 110-115.
6. **THAT**, the County Executive Committee Member of Finance and Economic Planning should immediately upon receipt of these adopted report restructure the reporting unit under the county treasury with competent staff and resources to aid them achieve consistency in reporting.
7. **THAT**, the department should prioritize activities that will help enhance own source revenue collection to avoid over reliance on exchequer .The County Executive Committee member should come up with a strategy to address effectiveness in revenue collection for Cabinet and County Assembly consideration and approval to boost revenue collection.
8. **THAT**, the ICT operations budget should be left under Public Administration where it belongs to ensure budget absorption.
9. **THAT**, the County Executive Committee Member of Finance and Economic Planning should furnish the committee immediately after adoption of this report with a cost benefit analysis report detailing the benefits derived from the new health management system purchased.
10. **THAT**, the County Treasury should lead by example and adhere to PFM Act 2012 on surrender of imprest, holding accounting officers accountable for long outstanding imprest, further County Executive Committee member of Finance being in Charge of compliance should put on notice all Chief Officers in whose departments there are unsurrendered imprest and report to the same forum with Honorable Members the issue of pending bills will be addressed on the status of imprest across all departments.
11. **THAT**, the County Treasury should provide the committee with disclosure notes on the composition of other payments of Kshs.56.3 , civil contingency reserve Kshs.64 million and other operating expenses of Kshs. 674.9 million

### **Adoption schedule**

The following members of the Finance and Economic Planning Committee appended our signatures confirming the contents therein, the consolidated financial statement for the period ended 30 June 2024. The schedule is signed.

I want to call upon Hon. George Makari to Second

*(Applause)*

Thank you, Hon. Tony for moving the report. Hon. Makari, you have the honour of seconding the report.

**Hon. George Makari:** Thank you, Hon. Speaker. I want to stand here to second the report and kindly ask Hon. Tony who is the Deep State not to be arguing with the Speaker when he is reading the report. I want to do some observations before we proceed with this motion. We have a problem somewhere and I think this follows what we discussed in the morning implementation of our committee recommendations.

You find that Hon. Tony has given us a very good report. He has read it very well, eloquently and there are matters therein that actually need implementation. Actually, we are recommending there are things that must be implemented but you find that now, we are here every other day of our session, we are stockpiling reports.

Then there are observations and recommendations therein but at the end of the day the implementation of the reports is very poor and among these reports the critical one, is this one of finance and you find that finance is the nexus of all the reports in this house because there is no report that doesn't touch on finance. Most of the recommendations even the ones that have been read in tourism, all the matters therein are touching on finance.

Now, that is where the backstops in 2.34, if you read the report and this talks about accounts receivables that's the imprest you find that this department is the compliant department but they have pending imprest not surrendered worth 21 million and among these pending imprest and surrendered, 11.4 million is dating back to 2018. It being a compliant department what are we telling other departments?

When they come before us, we tell them you have un surrendered imprest but the main department that is supposed to be a compliant department, that is supposed to oversee other departments and tell them has un surrendered imprest, they themselves have 21 million un surrendered and 10.4 dating back to 2018. That is the problem we have.

Then if you look at 2.3, you find that the Treasury this finance borrowed 150 million from the retention account. A retention account is monies for contractors. This is monies for contractors. Now you borrow and the mode of repayment is not outlined but if you read the recommendation in our report, they say they are coming to repay this money in the first supplementary budget of 2024-2025.

The budget committee is here. I want to see that the supplementary budget has been tabled, if the same amount is coming on the floor of this House and I want to see where they are going to get 150 million to repay the debt of 150 million, to return to the retention account and if you look very well in the report they have also listed, the contractors' retention amount as a pending bill but if you look at their statement in the retention account, they are holding 262 million.

How can a contractor's pending retention money be a pending bill? That's also another problem we are having. They have money in the account of 262 million and then they also borrowed but now they are declaring the contractors' money as a pending bill. I don't know which accounting centre they are using.

Then this idea of getting money from the retention account to put in the budget, to say that it's also a resource envelope, I think we should stop and the Chair of Finance is here he has moved out. That we are borrowing the Chair of Budget is here he is looking at me with very red eyes, I don't know where he is coming from.

**Mr. Speaker:** Hon. Makari that is very offensive. Very offensive

*(Laughter)*

**Hon. George Makari:** I withdraw

**Mr. Speaker:** You know, you say they are red eyes, you are imputing that the Honourable Chair has smoked some other stuff that...

**Hon. George Makari:** I withdraw, Hon. Speaker, I withdraw and allow me to proceed.

**Mr. Speaker:** But I am told he is a very close friend.

**Hon. George Makari:** Yes, he is a striker, Hon. Speaker.

*(Laughter)*

He is our Hon. Striker in this house and those who know what I mean, they know what I mean but now, I come back to my point. This idea of now taking our own money... it is like you are taking money from your left pocket and now you are putting money in your right pocket. You see, it is still your money and then you are pretending that you have now borrowed your own money now to finance the budget but if you look properly, our Fiscal analyst has analysed this thing.

There is nowhere it is recorded that the 150 million this is the line of expenditure this 150 million did. It is nowhere in the budget. It is not listed anywhere. Yet it was borrowed from the retention account and then given. You borrow from yourself but there is no listing of where this amount of money 150 million did.

So that is where we are as a compliant department. Then finally as I wind up, as I second the report, emergency fund it was declared 160 million. Then in their own financial statements the treasury says there was nil expenditure but the emergency secretariat template that they utilised 57 million out of 160 but the treasury says on that vote they never expended anything.

So, this is an opaque vote and where they spend even this money, I don't know which Honourable Members actually benefit from this emergency fund. It's not. It's just done opaquely. One or two people... I don't know how they get to the projects from this fund. It's an opaque fund and I think the earlier we arrest the situation the better. Otherwise, we will continue working in a very opaque manner.

Finally, pending bills, you find that 2023-2024 financial year, the treasury declared in their statements that we have a pending bill of 1.2 billion but in the ADP of the same year they had given us a pending bill in the County Government of Bungoma of 3 billion. Now, how it came down to 1.2 billion yet they had declared.

In fact, one time when we met in the Paskari Nabwana Hall, the Finance was very audacious enough to tell us we have a pending bill of 7 billion. I don't know if someone was there and listened to him. Then when they brought the ADP it now reduced to 3 billion but then along the way when they are submitting their statements, it was now 1.2 billion. There's something sinister here. Therefore, as we debate this motion I want to second and congratulate the mover for the eloquent way it has done. Thank you.

*(Applause)*

**Mr. Speaker:** Thank you. Honourable Members allow me people to propose a motion for debate. Hon. Members a motion has been moved and seconded that this House approves the report by the Sector Committee on Finance and Economic Planning on the fourth quarter financial statement for the financial year 2023-2024, laid on the table of the House on Wednesday, 12 February 2025. I propose.

*(Question proposed)*

Hon. Jack Wambulwa, you start.

**Hon. Jack Wambulwa:** Thank you, Hon. Speaker. First of all, I thank the mover of the motion, Hon. Tony, seconded by Hon. Makari, the senior striker of this Assembly. First of all, I want to urge colleagues in the Finance Department that I am shocked to find that the Sector Committee that is supposed to oversight the Compliant Department is crying. Instead of telling us what action they have taken, they are here crying and putting it to the Budget Committee.

*(Applause)*

They are not serious about their work. One, I am shocked to learn that we have people who are having imprest as late as 2017/2018 and these same characters are still on current imprest before they even surrender what they have. What recommendation have they put in their report for action? Yes, as much as we want to say, once the Sector Committee recommends,

then implementation should take over but I need to see the recommendation coming out clearly.

Most of these issues that Hon. Makari has raised, while seconding the report, they meet with the CEC Finance almost on a weekly basis as a compliant department. They even go out for retreats. While they are retreating why is it that they have never come out openly and told him this is not right, this is right, do away with this and even as he was putting it, I remember him saying that the supplementary has come, the chair budget is here. The budget committee does not decide on behalf of the House.

The sector committee is supposed to make recommendations that the budget committee should respect but with them they sugar-coat, leave it plain and then they expect the budget committee to take action. Where on earth, we cannot do that. So they should stop going to bed with the Department of Finance and work independently, make recommendations that can help this House.

(Applause)

We are not going to entertain members coming with reports here, and then they want the House to recommend on their behalf. It is very unfortunate, I want to call upon the finance department to wake up and make sure that county funds are well utilised but not to be spent at the expense of *Mwananchi*.

**Mr. Speaker:** Hon. Ipara,

**Hon. Johnston Ipara:** ASante sana Bwana Spika, nimeskiza wale wameongea na mimi nimetosheka upande wa kuskiza. Kwanza wacha nimpongeze mtoa hoja Mheshimiwa Tony Barasa kwa ustahdi na ukakamavu. Ni siku ya masikitiko kwa sababu hapa tumeambiwa na tumeonyeshwa bajeti ambaye sisi hupitisha katika hili nyumba huwa ni bajeti ambayo si halisi.

Ukiangalia rusuku ambayo serikali kuu iinatoa ya 345.7 hio pesa haikupatikana. Na mwisho wa mwaka ya pesa inamaanisha kwamba kama tulikuwa tumepongia hio pesa kwa maendeleo yetu i hatukutumia hio pesa . Na kama tulifanya kazi inaonyesha tuko na na deni ya 345.7 ambayo hatujalipa.

Ukiangalia pia katika pesa sisi wenyewe tunapata tulidanganywa kwamba tunatarajia kusanya pesa bilioni 2.2, lakini kwa masikitiko tumeambiwa mwaka ilipofunga tuliweza kupata 1,099,396,442 tulishindwa kufikia kiwango ambayo tulikua tumeweka kwa jumla ya miliona 930,876,412. nikumaanisha wale ambao tumewapea jukumu la kusanya hii pesa wanaenda kucheza. na wamejua sisi ni ile umbwa haiwezi umma kwa hivyo tunaeza elezwa chochote na tukubali **na kweli** historia itatuweka mahali pabaya sana wakti itafika wakati hio.

Kodi ya ushuru ambayo wengi wetu tunajua kama Cess tumeambiwa kwamba tulikua tunatarajia kusanya milioni 70,192,478 lakini tumeambiwa kwamba ile pesa tuliweza kusanya milioni 21,274,695. Juzi tulikuwa na mkutano ambayo stakabadhi ilikabidhiwa Kamati ya Barabara na ya fedha ilionyesha ya kwamba pesa zile tuliweza kusanya ilikua milioni 24. Hii peke yake inamaanisha kwamba millioni tatu ilipotelea kwa upopo. Swalii ya kuuliza ni nani anadanganya nani.

*(Loud Consultations)*

Katika Kampuni ya miwa ya Naitiri

**Mr. Speaker:** Hon. Members, I see the Chair Budget and the Chair Finance consulting not once pleased plus Education chair. Proceed.

**Hon. Johnston Ipara:** Asante sana, Kampuni ya miwa ya Naitiri peke yake ilikuwa imetarajia isanye milioni 48,917,783 na hapa tumelema kwa mwaka mzima tungesanya milioni sabini, tunauliza Butali, Busia, Nzoia, na BAT pesa yao ndio tuseme pesa zile tunataka kusanya ni milioni 70. Ukitoa hizo pesa nikumaanisha kwamba milioni 22 ndio ungetarajia kusanya kutoka kwa hizi kampuni nne zingine. Ni nani anadanganya nyumba hii ambayo imepewa majukumu kuangalia kutengeza sheria. Kwani tunakubali tadandanywe wakati hii yote. Nafikiri tumechoka na tukichoka yule tunahitaji kusomea, hatutaenda kutafuta umbwa tutatafuta mwenye umbwa .

Angalia wale wanaokosea ni wale tunatarajia watuonyeshe njia na waonyeshe wengine njia. Gavana mwenyewe ameshindwa kurudisha milioni 9 anayetatkikana kuelekeza watu, Waziri wa Fedha waziri ambaye wizara yake ndio inaongoza na milioni 21 na anaye simamia mambo ya uandishi katika ofisi ya Gavana, Katibu Mkuu milioni 13 na idara ambayo ndio inasimamia ndio nyumba hio ikianguka tunaanguka wote. Kweli ni nani alituroga sisi, ni nani amefunga macho yetu isione na ni nani ameziba maskio yasskie. Ninaomba wenzangu hii wakati si ya kuandika si ya kusema maneno kwa utamu, ni wakati ya kuchukua hatua kali. Kweli Kaunti yetu ukifaanisha na Kaunti ya Muranga unaangalia mambo ya Muranga ni kama Mungu ameshuka Muranga sisi shetani ameshuka katika Kaunti yetu.

*(Laughter)*

**Mr. Speaker:** Hon. Ipara, you know we have Bishops in this House and when you say satan has landed in this House. I am wondering what is going through Hon. Joseph Nyongesa and Hon. Makari. They are the only proclaimed Bishops...

**Hon. Johnston Ipara:** Mheshimiwa Spika, najua ile maombi mungu ataskia ni ile ya Mheshimiwa Nyongesa peke yake lakini ukisema maombi ya Makari...

**Mr. Speaker:** Hon. Caleb is also a Bishop

(Laughter)

**Hon. Johnston Ipara:** Mheshimiwa Spika, nimesema Mheshimwa Joseph Nyongesa na nina sababu ya kusema

(Laughter)

Kwa hivyo kama hawa ndio tunatarajia watufanyie kazi mzuri hatuna budi tutateseka. Ikifika mwaka wa 2027 tutakuwa na matatizo ya kuwaelezea tulifanya nini wakati tulikua hapa. Akaunti yetu ya pesa retention, kweli hakuna sheria inayo ruhusu yeoyote kutumia hizo pesa. Wakati unaruhusiwa ni wakati unalipa *contractor* ambaye wakati wa kuongojea imepita na kazi yake imedhibitishwa kuwa nzuri.

Lakini na kubali ni sisi tulikosa kwa sababu nakumbuka hapa kwa haraka kama moto ilikua inachomeka tuliweza kupitisha bajeti hio na marekebosho hio na kusema kwamba watumie hio pesa kulipia. Lakini wakati walisema wanachukua hio pesa kulipia kazi ile walikua wanasema, kwa nini wasiende pale walikua wanatarajia kupata hio pesa milioni 150 watoe hio pesa warudishe. Hapa tunachezewa na kuna mtu anafanya biashara na hii Kaunti, Assembly yetu kwa kutuchukua sisi kama daraja ya kutenda maovu na mwisho watuachie mungu atukuhukmu. Nikimalizia hii ndio wakati ya sisi kungalia bajeti ya ofisi ya Gavana, na kupunguza iwe pesa kidogo ambaye anaweza kutumia na aweze kuthibitisha. Na hii ndio wakati kuangalia wizara ya Fedha kuwapunguzia pesa kweli hii idara ya kuangalia tu mambo ya sheria na kama watu wanatimiza. Kwa nini tuwapee bilioni 1.2 na barabara tumeacha kila mahali imeharibika. Juzi tulienda hapa Nalondo nikafikiria lami inapita, mwisho unapata lami imejengwa katikati na haijafika mwisho kwani inaokoa watu wetu na nini tubakishe hii pesa itusaidie. Naunga hio ripoti

**Mr. Speaker:** Hon. Caleb, you will have a chance to speak, the challenge you have heard you have not been able to move the House appropriately. Look at the time you ought to have moved, time to extend your sitting yes proceed

**Hon. Caleb Wanjala:** Thank you, Hon. Speaker. As I support the report and appreciate the member who moved the report. I think basing on the sentiments and the feeling of the members who have spoken earlier before me, something is not right and as a House we have to change the way we deal with issues, because when you go in the public they feel like we are not doing anything as members because there are laws that govern this House, every department and everything that happens in this county.

Having un-surrendered imprest from 2018 up to now as much we appear to be tough, there is a problem. In this House we have members who have been here before; the seniors are in the House from 2018 up to now and then nothing is happening. I think this must stop and we must take our position as a House and stamp our authority.

Every time we were asking CEF money to be raised, they were raising it after a lot of pushing. Look at own source revenue, we are really not rising up to our target and this is because of misplaced priority. I remember last year we procured a good number of motorcycles and they said they were to help us rise our own source revenue, in fact what we raised last year and this year has gone lower than what we expected.

**Mr. Speaker:** Hon. Caleb just for guidance. When you just say it has gone low, you give us statistics. You know when you are saying this year revenue collection has gone below the previous one, you will tell us that this year we have collected 420 last year it was 438 or 478 you know you are on HANSARD.

**Hon. Caleb Wanjala:** I was of the opinion that what are we doing? What should we do to make sure that we raise our own source because you cannot milk a cow you are not feeding, You can't expect more milk if you are not taking care of the cow.

Let me take an example, recently a fire broke out in my own market Bukembe and someplace in Kibabii, it was very devastating just getting a fire truck to come they said, it was grounded yet this people are paying revenue.

So how will you come tomorrow and tell them to pay if you are not giving them the services that they need. Look at our markets, most of them are in a very deplorable state. Some don't even have toilets, some the drainage is not good and we expect to raise our own source revenue. We should prioritise which market, we are going to support so that we can raise our own source revenue.

The issue of pending bills my colleague have talked on it. Most of our children from this county as we speak, a good number of them who are contractors are living a stressed life. Some of them borrowed loans because of the work they were given Three, four or five years they have not been paid and this are our own children I think the bible says that to whom much is given much is expected. If you look at the Finance Department, they have been given everything they need but even out of what we have given them we are not getting enough what we expect from them. I think it is high time just like Hon. Barasa said we need to come back to our senses

**Mr. Speaker:** Are you alleging we have lost our senses? ....Get serious

**Hon. Caleb Wanjala:** Mr. Speaker, we cannot have

**Mr. Speaker:** No. Hon. Caleb, you when you say we have lost our senses, what do you mean? The entire House we don't have sense. Withdraw that

**Hon. Caleb Wanjala:** Okay I withdraw

**Mr. Speaker:** Yes proceed.

**Hon. Caleb Wanjala:** But we need to do things differently. I support the report.

**Mr. Speaker:** Thank you Hon. Kikechi, Majority you will have two minutes

**Hon. Bernard Kikechi:** Thank you, Hon. Speaker. First of all, I appreciate Hon. Tony for moving this good report. I just have one observation, when you look at this report it is a very wonderful report. The Finance Committee under the chairmanship of Hon. Barasa Mukhongo did a wonderful job. The issue were well captured all the shortcomings in that department, were well highlighted and explained but I am very disappointed when it came to the issue of recommendation because a glaring issue is where by the committee flagged out the issue of outstanding imprest as per the report the county had Kshs 745,564,694 outstanding imprest compared to Kshs 94,590,905 in quarter three.

You will find that Finance and Economic Planning Directorate had the highest un-surrendered imprest of 21, 118,650 followed by the County Secretary with Kshs 13, 339,680 followed by the Public Admin with 12, 167,820 lastly the Governor's Office with Kshs 9,253,778 it is alarming that some staff have multiple un-surrendered imprest in total contravention of the PFM Act .

My question is this, with such glaring shortcomings from this department, what has the committee recommended? The recommendation they are very shallow, they don't come out with the force as highlighted in the report. It is completely maddening that one of the staff who took the imprest has no payroll number. Now how will that imprest be recovered? We need some serious recommendation as I support this report going forward, let us be getting serious recommendation that goes as per the report table tabled in this House. Otherwise I support.

**Mr. Speaker:** Thank you Majority

**Hon. Joseph Nyongesa:** Thank you, Mr. Speaker. Maybe just two things one; again let us now remind the committee that in the agreement as per observation number 4; I think the issue of retention, if they could make a follow up now that we are going to handle the first supplementary as seen in their report to ensure that that 150 is now taken back as they agreed with the department.

Then lastly because it is the work of the department now the sector committee to ensure that they are making a follow up before they agree with the department. Then the committee is

now pleading with the department and requesting them to make a follow up to other departments yet their own department has failed. Otherwise I support.

*(Loud consultations)*

**Mr. Speaker:** Chair Finance and Economic planning. Wait first allow me to invite the mover of the motion to give a brief reply before we proceed.

*(Loud consultations)*

Hon. Members please

**Hon. Tony Barasa:** Hon. Speaker, I want first to appreciate all Honourable Members who have contributed and the recommendation has been very well and well captured and I want to summarise by saying the key factor here is that as an assembly we must now pull up our socks and do the tracking of recommendations of this House to be implemented fully

The committee was very aware and in the recommendation that we put forward allow me like recommendation number three we have tasked that the County Treasury after adoption of this report, to organise a forum with Honourable members so that they can give true status of pending bills they must have that one and also in those recommendation we have marked... I don't know which language to use so that we can task them because our role is to oversight.

We are aware about the pending issues of imprest across the departments but we tasked this department again that being a compliance department they must lead by example and because the imprest is not only the department of finance the CECM must also put the chief officers of other department on toes and the CEC to report that forum where after adoption this report he must come and clarify to Honourable Members.

So where I sit I want to beseech the House adopt this report and give us as the Finance Committee we have written there that after 30 days... this committee members are not the way you see them. Hon. George Makari normally is a trouble maker in that committee. We want to assure you that we are going to do our things on oversight. We are up to task as members we will be led by our chair to not let you down as a committee and Honourable members as a whole. Thank you

**Mr. Speaker:** Thank you Hon. Tony for the reply to the motion. Honourable Members, allow me to be able to proceed and put a question on the motion as moved and seconded accordingly by Hon. Tony and Hon. Makari.

*(Question put and agreed to)*

Ayes have it.

The report plus is recommendation are hereby adopted by the House accordingly.

## **ADJOURNMENT**

**Mr. Speaker:** Honourable members looking at our Order Paper that was the last motion we have had we will adjourn for now resume at 2:30 p.m. in our normal sitting. Thank you we adjourn accordingly.

*The House rose at 12:23 p.m.*