

**COUNTY GOVERNMENT OF BUNGOMA**

**COUNTY ASSEMBLY OF BUNGOMA**

**COUNTY ASSEMBLY DEBATES**

**THE DAILY HANSARD**

**WEDNESDAY, 30<sup>TH</sup> APRIL, 2025**

**Morning Sitting**

**3<sup>rd</sup> County Assembly**

**4<sup>th</sup> Session**

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# COUNTY ASSEMBLY OF BUNGOMA

## THE DAILY HANSARD

WEDNESDAY, 30<sup>TH</sup> APRIL, 2025

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

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

### PRAYER

### MOTIONS

#### REPORT BY THE SECTORIAL COMMITTEE ON FINANCE & ECONOMIC PLANNING ON RECEIVERS OF REVENUE QUARTERLY REPORT & FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE, 2024

**Mr. Speaker:** The mover of the report, Hon. Tony, I won't ask you to confirm your quorum but hope you have the quorum.

**Hon. Tony Barasa:** You can't see anything!

**Mr. Speaker:** Hon. Tony, you are part of Liaison Committee! Hon. Tony, confirm your quorum. I have deliberately sat behind so that you do the necessary. So can you confirm your membership?

**Hon. Tony Barasa:** We have Hon. James Mukhongo, Orize Kundu, Stephen Wamalwa, Vitalis Wangila, Hon. Francis Chemion, Hon. George Makari and I am here. We are plus seven.

**Mr. Speaker:** Hon. Tony, you are supposed to be seven plus one, if you don't have seven plus one then we go to the next item. The rule applies across all committees.

*(Loud consultations)*

Yesterday, I saw the Lands people were demanding that we confirm membership. Yes Hon. Kawa

*(Laughter)*

Quorum is attained, so proceed.

**Hon. Tony Barasa:** Honourable Speaker,

## Preface

The receivers of revenue financial statement for the period ending June 30<sup>th</sup> 2024 was tabled in the House on 16<sup>th</sup> October, 2024 and committed to the Committee on Finance and Economic Planning.

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

The Committee analyzed the report and did comparison with performance in previous years coupled with interrogation of the Executive which aided it make some observations and agreed on clear and workable recommendations for the house to consider.

Generally, the committee observed each revenue stream's performance against the budget and historical behavior in revenue collection across all revenue streams.

## Committee Membership

The Committee on Finance and Economic Planning as currently constituted comprises of the following members:-

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

## Acknowledgement

Let me take this opportunity to express my gratitude and sincere thanks to the members of the committee and its Secretariat for dedicating their time to analyze the receivers of revenue

Financial Statement report and diligently carrying out critical analysis of the report including interrogation of the department.

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

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

Mr. Speaker,

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

Report is signed by Hon. James Barasa Mukhongo - Chairperson, Committee on Finance and Economic Planning

### **Background information**

The County Executive member for Finance and Economic Planning is responsible for the general policy and strategic direction of the receiver of revenue. The principal activity of the receiver of revenue is to collect revenue and remit to the County Revenue Fund (CRF).

The key local revenue sources for the County include, Trade Licenses, property taxes, Cess, market fees, enclosed bus park and parking fees, administrative services fees, and public health facilities fees among others. AIA is revenue collected from Mabanga ATC/AMC, level 2, 3, 4 & 5 hospitals and County vocational training centres, hire of county machines & assets. Collection of revenue is done through Agents that are located within the facility entities.

### **Operation of the fund**

The County Government collects local revenue using the Bungoma Automated Revenue management system (BARMS) .Collectors for parking fees and market fees have collection mobile phones. Collectors at the stock auction yards are provided with point of sale devices (POS).Both modes of collection are fully cashless to ensure that all revenue paid is captured directly into the system and M-pesa/Bank to avoid leakages and encourage efficient revenue collection.

Collections for structured imposts including PSV stickers , Trade licenses and property taxes are made through M-pesa pay bill or direct banking in four revenue collection accounts held in commercial banks as opposed to the CBK as required by PFM Act 2012.These amounts are regularly swept to the Bungoma County Revenue Fund held at CBK.

## **Revenue Raising Measures**

In the year under review the County implemented a combination of administrative and system reforms aimed at increasing local revenue. These reforms focused on improving revenue collection and management processes. However, despite these efforts, the County did not achieve any significant improvement in local revenue growth compared to previous years. The reforms included:

- i. Introduction of tax incentives including, negotiated flexible plans for defaulters, and a property tax waiver between March and April, 2024 to boost compliance.
- ii. The Following pieces of legislation were enacted to inform administration of various fees and charges;
  - a. Bungoma County Weights and Measures Bill, 2023.
  - b. Bungoma County Public Markets Amendment Bill, 2023.
  - c. Bungoma County Outdoor Advertisement and Signage Bill, 2023.
  - d. Bungoma County Revenue Administration and Management Amendment Bill, 2023.
  - e. Bungoma County Inspectorate, Compliance and Enforcement Bill, 2023.
  - f. Bungoma County Public Entertainment and Amenities Bill, 2023.

Further reforms to be implemented in the current year include:

- i. The County streamlining public finance controls within the County health Sector. A Hospital Management Information System has been procured and installed to support all service operations at the County Health Facilities.
- ii. The County has made arrangements for special purpose accounts for County Health facilities and Agricultural institutions for access of funds for provision of services and development to address uncertainties associated with spending revenues at source.
- iii. The County has procured 32 motorcycles to ease mobility. In addition, plans are underway to consider framework contracting for repairs and maintenance of existing revenue vehicles and periodically purchase of new vehicles to support supervision and collection of revenue.

## **Statement of Receiver of Revenue's Responsibility**

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

## **Financial Performance**

The County projected to collect Kshs.2, 030,272,854 from own source revenue and AIA, representing 13.3 % of the total 2<sup>nd</sup> supplementary budget of Kshs. 15,243,651,077.

The total revenue collected during the period amounted to Kshs. 1,095,692,519, which is a decrease of Kshs. 23,666,623 compared to the Kshs. 1,119,359,143 collected in the same period of the previous year. This represents 54% of the expected Kshs.2, 030,272,854.

The collected revenue is broken down into two categories:

- Appropriation in Aid: Kshs. 707,377,772, which accounts for 61% of the targeted Kshs. 1,162,071,383.

- Own Source Revenue: Kshs. 388,314,747, which is 44.7% of the targeted Kshs. 868,201,471.

Revenue from hospital facilities is utilized at source, a report on the collection and utilization should be submitted to the Assembly quarterly

#### Budget vs. Actual own source revenue

Description of Revenue	Budget Amount	Actual Receipt	% realized
Local Revenue	868,201,471	388,314,747	45%
Appropriation in Aids	1,162,071,383	707,377,772	61%
Total	2,030,272,854	1,095,692,519	54%

#### Statement of Receipts and Payments for The Period ended 30<sup>th</sup> June 2024

	Period ended June 2024	Comparative period ended June 2023	Variance
<b>County Own Source Revenue</b>	Kshs	Kshs	Kshs
Hospital Fees	691,875,874	743,911,773	-52,035,899
Cess	21,274,695	41,645,810	-20,371,115
Hire Of County Assets	15,501,898	27,798,632	-12,296,734
Land/Poll Rate	24,647,705	32,353,767	-7,706,062
Other Fines, Penalties, And Forfeiture Fees	724,300	127,920	596,380
Public Health Service Fees	4,862,101	3,186,200	1,675,901
Parking Fees	71,259,786	69,512,965	1,746,821
Conservancy Administration	14,029,112	11,791,573	2,237,539
Advertising	9,385,390	6,497,300	2,888,090
Property Rent	15,374,769	11,609,032	3,765,737
Physical Planning and Development	7,823,492	1,395,595	6,427,897
Miscellaneous receipts	17,715,246	10,010,478	7,704,768
Market Fees	44,853,875	34,472,297	10,381,578
Single/Business Permits	115,671,231	100,056,193	15,615,038
Administration Control Fees and Charges	40,693,046	24,989,608	15,703,438
<b>Total Own Source Revenue</b>	<b>1,095,692,520</b>	<b>1,119,359,143</b>	<b>-23,666,623</b>
Other Receipts			
Donations/grants from County Government	28,483,751	40,787,837	28,483,753
<b>Total Other Receipts</b>	<b>28,483,751</b>	<b>40,787,837</b>	<b>28,483,753</b>

<b>Total Receipts</b>	<b>1,124,176,271</b>	<b>1,160,146,980</b>	<b>4,817,130</b>
Balance b/f at the beginning of year	127,815,249	150,289,753	-22,198,670
Disbursements To CRF	-381,742,137	-330,427,054	-41,362,119
Bank charges	-169,500	-143,738	
Expenditure by Health facilities	-753,218,255	-852,050,691	
<b>Balance Due for Disbursement</b>	<b>116,861,628</b>	<b>127,815,249</b>	

The inclusion of the DANIDA grant realized of Kshs.28, 483,751 in the local revenue figures creates confusion and misrepresents the actual local revenue achievement. The DANIDA grant was budgeted under the Development Partners category, not as part of the local revenue. By including this grant in the local revenue figures, the total amount appears inflated, leading to an inaccurate representation of the County's true local revenue performance. Despite the provisions of PFM Reg. (2) that allows the CEC finance to designate ROR, the receiver of revenue for loans and grants funds must be the Chief Officer to the County Treasury pursuant to PFM reg.61(3) hence the director of the revenue section receiving grants contravenes this section.

#### **Statement of comparison of budget vs. actual amount for the period ended June 2024**

The County expected Kshs. 2,030,272,854 after the 2nd supplementary budget from AIA and local revenue. Kshs. 1,095,692,520 was collected which translates to 54% of target, a negative variance of Kshs. 934,580,334. A further Kshs.28, 483,753 was received as grant from DANIDA which was not part of the budget.

#### **Own source revenue comparison of budget vs. actual received**

<b>Own source revenue</b>	<b>Final budget</b>	<b>Actual cash</b>	<b>Variance</b>	<b>%</b>
Hospital fees	1,142,938,163	691,875,874	-451,062,289	61
Single Business permits	228,921,263	115,671,231	-113,250,032	51
Administration control fees	149,913,598	40,693,046	-109,220,552	27
Market fees	98,427,988	44,853,875	-53,574,113	46
Cess	70,192,478		-48,917,783	

		21,274,695		30
Parking	101,517,423	71,259,786	-30,257,637	70
Land /poll rate	47,500,4 95	24,647,705	-22,852,790	52
Advertising	42,967,742	9,385,390	-33,582,352	22
Public Health Service fees	23,076,730	4,862,101	-18,214,629	21
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 forfeitures	6,793,200	724,300	-6,068,900	11
Education Science and ICT	9,133,220	-	-9,133,220	-
Miscellaneous receipts	5,538,560	17,715,246	12,176,686	320
Hire of County Assets	9,073,724	15,501,898	6,428,174	171
Public Admin	10,000,000	-	-	
Other revenue sources(Donations/DANIDA)		-	0	
<b>Total Receipts</b>	<b>2,030,272,854</b>	<b>1,095,692,520</b>	<b>-924,580,334</b>	<b>54</b>

All the revenue streams fell way below the expected target. The County Government has to seriously re-evaluate revenue collection by deliberately investing in sources that will increase collection, addressing corruption and all other challenges affecting revenue collection to be able to achieve the set targets and avoid creating pending bills.

Accurate revenue costing is essential for setting achievable revenue targets. Revenue costing involves calculating the costs associated with generating revenue, such as administrative expenses, collection costs, and any other related expenditures. When proper revenue costing is not conducted, it can lead to the establishment of unrealistic revenue targets that do not account for the true costs of revenue generation. This can result in a mismatch between projected and actual revenue, making it difficult for the County to meet its financial goals. To identify revenue streams that did not meet expectations, the department should provide detailed costing criteria for each revenue source. By comparing the actual performance of each revenue stream against its costing criteria, the committee pinpoints areas that

underperformed and failed to deliver the anticipated results. This analysis will help the department better understand the reasons behind the shortfall and make informed decisions to improve revenue generation in the future. For example to effectively manage land rates, it is crucial to maintain a complete and up-to-date database of all plots within the jurisdiction. This database should contain information such as plot numbers, ownership details, assessed values, and payment history. By having a comprehensive database, the department can easily identify property owners who have not paid their land rates. This information is essential for targeted follow-up and enforcement actions to ensure compliance and maximize revenue collection. Without a documented database, it becomes difficult to determine which property owners have outstanding land rate obligations, leading to potential revenue leakages.

### Appropriation in Aid

Description	Period ended June 2024	Comparative period Kshs	Variance
Level 4&5 hospitals	618,550,574.50	639,958,404	-21,407,829.50
Level 1,2,&3 hospitals (community units, Dispensaries & Health centres)	60,082,574.00	86,507,538	-26,424,964.00
Vocational Training Centres(VTC)	13,242,724.90	17,257,490	-4,014,765.10
Mabanga AMC/ATC	15,501,898.00	27,798,632	-12,296,734.00
<b>TOTAL</b>	<b>707,377,771.40</b>	<b>771,522,064</b>	<b>-64,144,292.60</b>

### Statement of Arrears of Revenue as at 30<sup>th</sup> June 2024

Source of Revenue	Balance as at 1 <sup>st</sup> July 2023	Arrears received during the period	Additions in arrears for current year to June 30th 2024	Total arrears as at 30 <sup>th</sup> June 2024	Measures taken to recover the arrears	Assessment of recoverability
Cess	65,857,330			65,857,330	-	-
Land rates	160,354,731			160,354,731	-	-
<b>Total Arrears</b>	<b>226,212,061</b>			<b>226,212,061</b>		

The County had arrears of Kshs. 226,212,061 from land rates and cess as at 1<sup>st</sup> July 2023.

In the 2<sup>nd</sup> quarter report, it was reported that Kshs.2, 012,656 was collected from land rates arrears in the period while the 4th quarter report indicates that no money was collected in the Period under review.

In the same report, it was stated that the County Government had issued demand notices to all the rate defaulters to pay up by 31<sup>st</sup> March 2024 or face legal action, there is no indication that any of them complied with the notice.

The report has not stated whether these arrears are recoverable or not and neither has it given any measures that will be taken to collect the amount recoverable.

### **Break down of collection**

#### **Cess**

<b>Description</b>	<b>Period ended March 31st 2024</b>	<b>Comparative period 2023</b>	<b>Variance</b>
	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
Farm produce	21,138,245	41,426,380	-20,288,135
Fish farming	136,450	190,880	
veterinary		28,550	
<b>Total</b>	<b>21,274,695</b>	<b>41,645,810</b>	<b>-20,288,135</b>

The County collected Kshs.21.1m compared to Kshs.41.4m actual collected the previous financial year giving a negative variance of Kshs.20.2m and negative variance of KShs.48.9m against the budget.

The County Government of Bungoma entered into an MOU with West Kenya Sugar company in January 2024 to maintain 96kms of roads in Tongaren sub county. The MOU did not take into account how much money is collectable from the factory per month and did not state the timelines to complete the work. The County waived Cess payable to the county government during the period by West Kenya. The MOU took effect from February 2024, the machines were moved to Tongaren and were there till beginning of September 2024 .During the entire period only grading of the roads was done, no Murram was done as had been stated in the MOU. West Kenya was to purchase borrow pits and gravel the roads but this was never done.

The company spent Kshs.3, 453,281 on fuel and lubricants and Kshs.3.2m on staff allowances, a total of Kshs, 6,653,280. The work done was not equivalent to Cess payable in the 11 months that the MOU lasted. The reason for the long duration was given as the frequent machine break downs. The money spent on staff allowances was almost more than on the work done, staffs were drawing allowances even when the machines were broken down and therefore not in operation. Moreover the waiver was neither approved by the Assembly nor the CECM Finance making it irregular .So far, no report has been received at the County Assembly on the waiver contravening regulation 64(3) of the Public Finance Management (

County Government) Regulations of 2015 as ready together with section 165(4) of the public Finance Management Act 2012.

### Land/Poll rates

<b>Description</b>	<b>Period ended</b>	<b>Comparative period</b>	<b>Variance</b>
	<b>June 2024</b>	<b>Kshs</b>	<b>Kshs.</b>
Land rates	16,987,620	25,225,157	-8,237,537
Land penalties and interest	3,762,440	3,161,599	600,841
Arrears	3,897,645	3,967,011	-69,366
<b>Total</b>	<b>24,647,705</b>	<b>32,353,767</b>	<b>-7,706,062</b>

According to the table above, Kshs.3,897,645 was collected from arrears of land rates and only Kshs.16,987,620 was collected for the period under review compared to Kshs.25.2m actual collected same period previous financial year, a variance of Kshs.7.7m. It recorded a negative variance of Kshs. 22.8m against budget.

### Single /Business Permits

<b>Description</b>	<b>Period ended</b>	<b>Comparative period</b>	<b>Variance</b>
	<b>June 2024</b>	<b>Kshs</b>	<b>Kshs.</b>
Business permit application fees	5,418,400	4,460,832	957,568
Annual Business permit fees	85,475,951	76,616,580	8,859,371
Business permit penalties and interest	2,530,250	2,513,925	16,325
single Business Permit advert fees	13,910,130	9,651,289	4,258,841
Business permit renewal fees	8,336,500	6,813,561	1,522,939
<b>Total</b>	<b>115,671,231</b>	<b>100,056,187</b>	<b>15,615,044</b>

Single business permit recorded a positive variance of Kshs.15.6m compared to Kshs.100m actual collected same period previous financial year but a negative variance of 113.2m against the budget.

## Property rent

Description	Period ended June 24	comparative period 2023	Variance
	Kshs	Kshs.	
County Housing	8,075,432	7,612,835	462,597
Plot Rent	4,131,235	1,459,647	2,671,588
Transfer of Property	198,000	294,000	-96,000
Stalls/kiosks rent	2,400,072	1,613,650	786,422
Change of user	70,530		70,530
Consent to charge	115,000	124,000	-9,000
Clearance certificate	267,000	256,400	10,600
Extension of lease	102,000	100,000	2,000
Survey fees and beacon search	15,500	148,500	-133,000
<b>Total</b>	<b>15,374,769</b>	<b>11,609,032</b>	<b>3,765,737</b>

Property rent collected Kshs.15.3m compared to Kshs.11.6m actual previous financial year. It recorded a negative variance of Kshs.15m against budget.

## Street parking

Description	Period ended June 2024	Comparative period 2023	Variance
	Kshs.	Kshs.	
Street parking fees	5,981,110	2,553,513	3,427,597
monthly toll /sticker	55,990,676	46,776,792	9,213,884
Motorbike fees	3,229,500	2,268,030	961,470
Registration fees	613,500	386,100	227,400
Reserved parking	5,445,000	2,705,000	2,740,000
Bus park		14,823,530	-14,823,530
<b>Total</b>	<b>71,259,786</b>	<b>69,512,965</b>	<b>1,746,821</b>

Street parking recorded a positive variance of Kshs.1.7 m compared to actual collection same period

previous financial year but a negative variance of Kshs.30.3m against budget.

### Market fees

Description	Period ended June 2024	comparative period June 2023	Variance
	Kshs	Kshs.	
Market entry fees	36,158,420	26,402,817	9,755,603
Livestock	5,487,705	6,336,670	-848,965
Hawking fees	212200	286,860	-74,660
Slaughter fee	2,908,750	1,426,950	1,481,800
Pulping	86,800	19,000	67,800
<b>Total</b>	<b>44,853,875</b>	<b>34,472,297</b>	<b>10,381,578</b>

Market fees recorded a positive variance of Kshs.10.3m compared to actual collection same period previous financial year but a negative variance of Kshs. 53.5m against budget.

### Advertising

Descriptions	Period ended June 2024	comparative period June 2023	Variance
	Kshs	Kshs.	
Branding	4,122,630	2,583,060	1,539,570
Billboard advertising	5,262,760	3,914,240	1,348,520
<b>Total</b>	<b>9,385,390</b>	<b>6,497,300</b>	<b>2,888,090</b>

Advertising collected Kshs.9.3m in the period under review, compared to Kshs.6.4m collected in previous period. Being an electioneering period; collection should have been more than that. It recorded a negative variance of Kshs. 33.5m against the budget.

## Hospital Fees

Description	Period ended June-24	comparative period June 2023	Variance
	Kshs	Kshs.	
Level 5 and 4 hospitals	618,550,574	639,958,404	- 21,407,830
Level 1,2,& 3 hospitals (community units, dispensaries & health Centres)	60,082,574	86,507,538	- 26,424,964
Vocational Training Centres (VTC) fees	13,242,724	17,257,490	- 4,014,766
<b>Total</b>	<b>691,875,872</b>	<b>743,723,432</b>	<b>- 51,847,560</b>

Hospital facilities recorded a negative variance of Kshs.51.8m compared to actual collection same period previous financial year and a negative variance of Kshs. 451 m against the budget. The Kshs. 13.2m relates to VTCs and not hospital facilities that bring down the figure down by the same amount.

## Public Health Service fees

Description	Period ended June 2024	comparative period June 2023	Variance
	Kshs	Kshs.	
Inspection of buildings/premises/Institutions	1,636,151	117,600	1,518,551
Inspection for issuance of hygiene license		550	-550
Public health permit	3,225,950	3,068,050	157,900
<b>Total</b>	<b>4,862,101</b>	<b>3,186,200</b>	<b>1,675,901</b>

Public Health service fees recorded a positive variance of Kshs.1.6m in the period under review, it recorded a negative variance of Kshs. 18.2m against the budget

## Physical Planning and Development

Description	Period ended June 2024	comparative period June 2023	Variance
	Kshs	Kshs.	Kshs
Building plans approval	7,596,392	1,365,970	6,230,422
Occupational Permits	217,000	10,000	207,000
Physical Planning	10,100	19,625	-9,525
<b>Total</b>	<b>7,823,492</b>	<b>1,395,595</b>	<b>6,427,897</b>

Physical Planning collected Kshs.7.8m compared to Kshs.1.3m previous financial year. It recorded a negative variance of Kshs. 15.7m against the budget. The revenue department should find out reason for the big variance

### Hire of County Assets

Description	Period ended June 2024	comparative period June 2023	Variance
	Kshs	Kshs.	Kshs
Agricultural Mechanization Services (AMS)	657,740	3,891,010	(3,233,270)
Hire of County Stadium	40,000	20,000	20,000
Conference facilities/Agricultural Training Centers (ATC)	14,804,158	23,887,622	(9,083,464)
<b>Total</b>	<b>15,501,898</b>	<b>27,798,632</b>	<b>(12,296,734)</b>

Hire of County assets recorded a negative variance of Kshs.12.2m compared to collection the same period previous financial year 2022/23

### Conservancy Administration

Description	Period ended June 2024	comparative period June 2023	Variance
	Kshs	Kshs.	
Refuse disposal fees	13,892,012	11,711,973	2,180,039
Noise control	52,600	28,600	24,000
public cemetery	84,500	51,000	33,500
<b>Total</b>	<b>14,029,112</b>	<b>11,791,573</b>	<b>2,237,539</b>

Conservancy Administration recorded a collection of Kshs.14m compared to Kshs.11.7m previous financial year. It recorded a negative variance of Kshs. 16m against budget.

### Administration control fees and charges

Description	Period ended June 2024	comparative period June 2023	Variance
	Kshs	Kshs.	Kshs.
Weights and measures	267,480	120400	147,080
Fire Services	22,498,135	18,752,758	3,745,377
Liquor licenses	7,555,100	6,116,450	1,438,650
Other	10,372,330		10,372,330
<b>Total</b>	<b>40,693,045</b>	<b>24,989,608</b>	<b>18,585,421</b>

Administration control fees recorded a collection of Kshs.40.6m compared to Kshs.24.9m previous financial year...

**Mr. Deputy Speaker:** Let us give Hon. Milliah a chance; she has a point of information.

**Hon. Milliah Masungo:** (*On a Point of Information*) You know Mr. Speaker, the report that is being moved is very important but the Honourable members are making unnecessary noise. Do we come here to make noise or listen to what is being read? The consultation is too loud.

**Mr. Deputy Speaker:** Hon. Milliah is very right. I have pointed out this issue of consulting in very high tones and major operators of the same include Hon. Mating, so Hon. Makari you can leave the two ladies alone.

**Hon. Milliah Masungo:** The committee members are the ones making a lot of noise.

**Mr. Deputy Speaker:** Proceed Hon. Khaoya.

**Hon. Tony Barasa:** Kshs.10.3m was collected from a source that was not there in the previous financial year, referred to as “other”. This should be disclosed and reasons given why there was no collection previous year.

## **Committee Observations and Recommendations**

### **Observations**

The committee made the following observations:-

1. That the department did not submit to the County Assembly a report on waivers and variations as provided for in regulation 64(3) of the Public Finance Management (County Government) Regulations, 2015 and section 165(4) of Public Finance Management Act 2012 as read together with section 15 of Bungoma County Agriculture produce Cess Act 2017 on the West Kenya MOU waivers and exemptions in the hospital facilities.
2. That the West Kenya MOU had serious effect on revenue Cess collection leading to the County Losing Kshs.21m in revenue.
3. That department included the DANIDA grant of Kshs.28, 483,751 in the local revenue which misrepresents the actual local revenue realized. DANIDA was budgeted under grants and not local revenues. Further the receiver of revenue for loans and grants funds must be the Chief Officer to the County Treasury pursuant to Regulations 61(3) of the Public Finance Management (County Government) Regulation 2015 as opposed to the director revenue
4. That despite the reforms in revenue administration in the FY 2023/24 which included the introduction of tax incentives/holiday, devolving revenue collection at the village level, Enactment of 6 Bills the County did not achieve any significant improvement in local revenue growth compared to previous years , in fact there was a negative variation.
5. That the poor state of market support infrastructure including auction rings, sanitation facilities ,slaughterhouses and poor drainage facilities during rainy seasons contributes to the decline in revenue collection.
6. The county still lacks necessary pieces of legislation to support revenue collection and administration. These have derailed enforcement of collection from major revenue streams including property taxes.
7. Inconsistent supply of drugs and medical equipment by KEMSA resulted in shortages of these medical supplies at public health facilities affecting services delivery and revenue generation since residents are forced to seek services from private hospitals

8. Finances allocated towards revenue enhancement, collector trainings, regular capacity building, trader sensitization, inspections, supervisions and enforcement have been low and always diverted to other uses in supplementary budget.

### **Committee's Recommendations**

The Committee made the following recommendations:-

1. That not later than two months after the end of each financial year, County Executive Committee Member should be submit to the County Assembly a report with respect to all waivers and variations of taxes, fees or charges granted by the receiver during that year pursuant to the provision of section 165 of the Public Finance management Act 2012.
2. That before any waiver is given in respect to Cess or any other Revenue stream the County Executive Committee Member of Finance and Economic Planning should seek the approval of the County Assembly as stipulated in section 15 of Bungoma Agricultural Produce Cess Act ,2017
3. That the department of Finance and Economic planning, Roads, Transport, Infrastructure and Public Works should liaise with office of the County Attorney with view of terminating the MOU Between the County Government of Bungoma and West Kenya Sugar Company since it was irregularly procured. In addition the County Executive Committee Member of Finance should ensure that Cess revenue not remitted because of the MOU is remitted to the County and a compliance report submitted to the County Assembly within 60 working days from the day of adoption of this report.
4. That the County Executive Committee Member should give a comprehensive report to the County Assembly on the efficacy of revenue measure put in place including the use of Village administrators in improving of revenue collection across the County. The report should include the policy direction the department is going to employ hence forth to improve Revenue collections.
5. That Department of Finance and Economic Planning should liaise with all relevant departments to enable construction/ rehabilitation of all major market infrastructure including auction rings, sanitation facilities ,slaughterhouses and drainage facilities to create a conducive markets for traders which motivate them to pay relevant fees and charges. Further during budgeting for development project, those revenue generating projects should be given priority.
6. The County Executive Committee Member of Finance should develop and submit to

the County Assembly the following necessary pieces revenue raising legislations for considerations :

- a) The Construction and Development Bill
  - b) The Bungoma County Public Health and Sanitation Bill.
  - c) The Bungoma County Animal Welfare Control Bill.
  
  - d) Bungoma County Agricultural Institutional Bill 2024
  - e) Bungoma County Livestock Sale Yard Bill, 2024
  - f) The Bungoma County Food Safety Coordination Bill, 2024
  - g) Any other legislations necessary for revenue mobilization
7. That County Executive Committee Member of Finance and Economic Planning and Health CECM and the County Assembly should ensure that enough money is budgeted for and remitted to clear pending bills for medical supplies from KEMSA to enable continuous supply of drugs. In addition the County Executive Committee member of Health should ensure that all health facilities in the County have enough necessary drugs at all time for better service delivery and enhance revenue and a separate account strictly collecting revenue from sale of drugs should be used to pay for KEMSA pending bills.
8. That Finances allocated towards revenue enhancement, collector trainings, regular capacity building, trader sensitization, inspections, supervisions and enforcement should be utilized for that purpose.

Hon. Speaker, I would wish to call Hon. Christine Mukhongo to second the report.

*(Laughter)*

**Mr. Deputy Speaker:** Hon. Christine Mukhongo member for Kimilili proceed and second the report.

**Hon. Christine Mukhongo:** Thank you, Hon. Speaker. I want to take this opportunity to applaud the mover of the motion Hon. Tony for the good work done. So I urge you Honourable members to discuss and consider this important report. I support.

*(Applause)*

**Mr. Deputy Speaker:** Thank you so much Hon. Christine for seconding. Hon. Tony is very mischievous and very playful as a cat, joyful, and vibrant.

*(Question proposed)*

Hon. Isaiah Sudi member for South Bukusu,

**Hon. Isaiah Busolo:** And also Chair for Labour...

*(Laughter)*

**Mr. Deputy Speaker:** Order! Hon. Isaiah, you are assigning yourself duties that are not yours. Proceed!

**Hon. Isaiah Sudi:** Hon. Speaker, it is also a duty that I have positively accepted anyway before I put my facts across. I want to appreciate the Leadership of our County His Excellency, the Speaker of National Assembly, Hon. Moses Masika Wetangula and our Governor for upgrading our hospital here BCRH to level 6. It is not easy. That is a very important step.

BCRH now becomes a parastatal. When it becomes a parastatal...

*(Loud consultations)*

**Mr. Deputy Speaker:** Honourable members, Order! Order members...

**Hon. Isaiah Busolo:** I am the one on the stage. You will contribute my brother; do not interfere with me...

**Mr. Deputy Speaker:** Honourable members, Hon. Isaiah is just being proud and before he gives his presentation, he is celebrating the achievements of what Bungoma has got, which he is much in order. Hon. Sudi proceed...

**Hon. Isaiah Busolo:** Protect me Mr. Speaker...

**Mr. Deputy Speaker:** Order members. Hon. Sudi, proceed

*(Loud consultations)*

**Hon. Isaiah Busolo:** The Standing Orders allow. It allows and I will say...

*(Loud consultations)*

**Mr. Deputy Speaker:** Order! Order! Honourable members, you are shouting! I want to give direction and advice. You are heckling! You are not behaving Honorably, in this House we have had occasions when a member stands before he/she puts across his contributions; it has been allowed that he make remarks and in the same measure Hon. Sudi has made remarks

before he proceeds, so therefore, you will be allowed to make remarks before you proceed. So let Hon. Sudi finish his contributions.

**Hon. Isaiah Busolo:** Thank you, Hon. Speaker. Relax my friend! You will be given your time to speak. I have been to Moi Teaching and Referral Hospital Eldoret and I know how it has helped the people around there. If you go to Kenyatta National Hospital and Jaramogi Oginga Odinga Teaching and Referral Hospital, you should be proud of this new development because of our sons and daughters. We cannot just keep quiet because of the opposition.

*(Loud consultation)*

We must laud our leaders because they have done something extra-ordinary. The state lodge is now gazetted.

*(Applause)*

*(Loud Consultation)*

**Mr. Deputy Speaker:** Hon. Sudi, proceed! You have spoken enough.

*(Loud Consultation)*

**Hon. Isaiah Sudi:** Let me go to my points

**Mr. Deputy Speaker:** Now dwell on the topic at hand.

**Hon. Isaiah Sudi:** Hon. Speaker, I should be allowed to air what...

**Mr. Deputy Speaker:** Maybe Hon. Sudi before you proceed let me allow Hon. Chikati Timothy. You have a point of information?

**Hon. Timothy Chikati:** Mr. Speaker, Hon. Sudi, I am sorry to say that he has to be ashamed of himself. They can even call it level 20. We do not care, aren't the services there? People are suffering in that hospital....

**Mr. Deputy Speaker:** Hon. Chikati, I thought you were giving information on something. Yes, Hon. Nganga what is it?. I want to believe he will have information as opposed to what Hon. Chikati had.

**Hon. Everton Nganga:** You are not the Speaker?

**Mr. Deputy Speaker:** Hon. Sudi, Order!

*(Loud consultation)*

Hon. Jack Kawa, you are heckling, Hon. Nganga. Order members! Let us allow the debate to be lively. Let's allow members if they have something to put across, point of information, let's allow it and I know Hon. Sudi as a very robust man. Don't discredit him. Hon. Nganga Sifuna.

**Hon. Everton Nganga:** Thank you, Hon. Speaker.

**Mr. Deputy Speaker:** You should be audible.

**Hon. Everton Nganga:** Thank you, Hon. Speaker. I know you have already applauded Hon. Sudi but this is what Honorable members should be aware of. Lake Victoria will remain to be a lake even if you promote it to be an ocean; it will remain to be a lake. So promoting Bungoma Referral to be level 6, there are no services, and you have not changed the face of that facility.

*(Loud Consultation)*

**Mr. Deputy Speaker:** Order members!

**Hon. Everton Nganga:** You are doing nothing. That is null and void.

**Mr. Deputy Speaker:** Order members!

**Hon. Everton Nganga:** Thank you, Hon. Speaker.

*(Loud Consultation)*

**Mr. Deputy Speaker:** Order members!. Those Honorable members who are alluding that promoting from level five to six is nothing should understand that even the African bank is coming to construct a very modern vibrant robust healthcare system...

*(Applause)*

It does not come with wards. It comes with services and development so members let us not trivialize

*(Loud Consultation)*

Order! I thought when you come up on a point of information; you want to inform us concerning something different but on trivializing the project as approved, members let us be proud and patriotic.

*(Applause)*

I will not allow any other because the points of information that are coming are not worthy to be informed to Hon. Sudi. Hon. Sudi proceed without interruption!

**Hon. Isaiah Sudi:** Hon. Speaker, when you say there are no services, you see the level of facilities now that its level six, the services are going to improve automatically because the African Development Bank will build more facilities. So we must be proud of that.

*(Loud Consultation)*

**Mr. Deputy Speaker:** Order members, Hon. Sudi, now proceed with the points you have!

**Hon. Isaiah Sudi:** Mr. Speaker, just imagine soon our people will stop going to Eldoret, Kisumu and Nairobi. Our Kibabii University will start...

**Mr. Deputy Speaker:** Hon. Sudi!

*(Loud Consultation)*

**Hon. Isaiah Sudi:** Kibabii University will start a medical school.

**Mr. Deputy Speaker:** Hon. Sudi!

**Hon. Isaiah Sudi:** Webuye hospital will go well!

*(Applause)*

I now go to the main motion. Let me now return to the main motion. Those who are not willing can go because I was elected by the people of South Bukusu...

*(Applause)*

I am in Kenya Kwanza. Let those aggrieved go...

**Mr. Deputy Speaker:** Order members. Hon. Sudi please proceed!

*(Loud Consultation)*

Order members!

**Hon. Isaiah Sudi:** Today I am a very happy man.

**Mr. Deputy Speaker:** Order members! Resume your seat. Honorable members, I gave out members, Order Hon. Zakayo! You are pushing me to hold my Standing Orders now.

Order Hon. Mukhongo!

*(Loud Consultation)*

Order! Honorable Mukhongo, behave honorably. Order members! Honorable members, I am holding my Standing Orders. I will invoke them. Honorable whip, you have to lead with decorum and example.

Members, I want to give this guidance, that when I gave Honorable members points of information, they should have come forward to give information but what happened, you were the ones who provoked the contributor to keep on talking about level six hospital, because when we are talking about these issues members, we should not try to deviate and if a member has made a remark and is coming back, do not come to pre-empt so that you provoke extended remarks on the same. So kindly be guided. Let us not trivialize anything based whether you are in government or not. We are Kenyans.

*(Loud Consultation)*

Order members!

There is nothing like opposition or Government. We all represent the people of Bungoma. Order members! The Honorable Leader of Minority has asked for a point of information, we have to give him as he takes precedence. Hon. Luseneka!

**Hon. Anthony Luseneka:** Thank you, Hon. Speaker. For the last two days, this House has been lively and I think that is the way to go. We like this activeness. I just want to support what Hon. Sudi that if a project is brought to this County whether it is in Minority or Majority, let's support it.

*(Applause)*

**Mr. Deputy Speaker:** Order members!

**Hon. Anthony Luseneka:** Hon. Speaker!

**Mr. Deputy Speaker:** Hon. Luseneka, Minority Leader, resume your seat a little.

**Hon. Anthony Luseneka:** Allow me finish Hon. Speaker.

**Mr. Deputy Speaker:** We respect you as a leader. Honorable members, I am holding my Standing Orders and I want to send a very clear and crystal warning. Don't be a victim because of your own mischief. Under Standing Order 119, go and read it so that I will invoke the required Standing Orders if you persist and shout. Honorable Leader of Minority proceed!

**Hon. Anthony Luseneka:** Thank you, Hon. Speaker. I was saying that last year we proposed that some of our level two dispensaries be promoted to health centers. As much as the services have not been actualized, it is upon this Assembly to make sure that those facilities offer services as health centers. And same applies to this facility and I can comfortably say that if it is elevated to a level 6 one, I know the National government will be funding that facility...

*(Applause)*

It will be a corporate entity for the Government, so any money that this Assembly was appropriating for the facility will be diverted to something else. So, I am saying we are supporting projects that come to this County and if they are beneficial to our people lets support it. Ours is now to push that we have the services that are required at that facility.

We should not...

*(Loud Consultation)*

Protect me Honorable Speaker.

**Mr. Deputy Speaker:** You are protected, Hon. Leader of Minority, proceed!

**Hon. Anthony Luseneka:** For us as an Assembly, let's do our oversight especially like this report that is before us. How can we make sure that this County raises enough funds to enable us run projects without spending on any other funding. Those are the issues that we are supposed to look at. When you look at land rates, ground rent, are we achieving our targets? The funds that are being collected in our facilities, are we meeting our targets or not? What are the challenges we are facing? Those are the questions that the Finance Committee should be telling us. We have always allocated funds to make sure that this County...

**Mr. Deputy Speaker:** Yes Hon. Herald!

**Hon. Allan Nyongesa:** Thank you, Mr. Speaker. I am not disputing what members are saying. Whatever they are saying is very important however, we are debating the report on Finance, they need to bring a substantive motion on the level 6 hospital so that they can discuss but as at now, let us stick to the motion on the floor.

**Mr. Deputy Speaker:** Very well.

(Applause)

Members, Honorable Commissioner, Ali Machani Mutoka!

**Hon. Ali Machani:** Thank you, Hon. Speaker. It's just a point of information

**Mr. Deputy Speaker:** A short one then we go back to Hon. Sudi!

**Hon. Ali Machani:** (*Point of Information*) I want to inform the House that we are here as Honorable members whether from the Minority or Majority. Let us face the motion before us positively and criticize it positively. It does not mean that when you are in Government you support everything even if it's negative. I don't miss words. Let members be guided. When one is speaking, give him time.

**Mr. Deputy Speaker:** Members be guided and Hon. Machani be brief so that we continue.

**Hon. Ali Machani:** Even those from minority need to understand as much as you oppose but do it positively? The issue on level six hospital is an important project to our County as it is going to improve health services and also generate revenue.

**Mr. Deputy Speaker:** Hon. Sudi you have three minutes...

**Hon. Isaiah Sudi:** It's unfortunate that ...

**Mr. Deputy Speaker:** I will not give any further points of information. Proceed, Hon. Sudi!

**Hon. Isaiah Sudi:** Hon. Speaker, it's just unfortunate that the issue you have just put at rest most of us did not understand it well because as we are here when you support my child to go to America, I am allowed to come and appreciate you members. So I cannot be curtailed to talk about other issues.

There is an observation on KEMSA, about insufficient supplies and delays in delivery of non-pharms and drugs which have been attributed to delay and insufficiency. Maybe we also do not pay on time or we already have an outstanding balance with KEMSA. We need to find out and see why KEMSA delays to do their deliveries.

On the West Kenya MOU, the committee says that it has impacted negatively on our CESS collection but what about the little work that has happened in those wards. I expected the people of Tongaren to tell us whether that MOU has improved roads in their area or not. I am very sure that MOU also has positive impact to the people of Tongaren. We are only looking at CESS, how much money have we collected as a County and we are not using it prudently. Maybe the people of Tongaren should be proud of the MOU. We are only looking at the

CESS revenue collection and not looking at the impact of the MOU. I wish the committee could have gone deeper and also assessed the impact of the MOU on the people of Tongaren.

The committee has observed on supportive legislation and even mentioned a few legislations that the department should bring in this House so that we enact to enhance revenue generation which is very good and they gave timeline for the same.

The issue of auction ring. I do not know which department should handle auction rings because now it is raining and most of our markets are not operating optimally because auction rings are muddy. I have seen members walking out. You know reports are brought in this House and we leave for people who do not have Wards to debate and pass but most of us walk out and then reports are passed and when operationalized, we start asking when was it passed? So the issue of auction rings, we need to discuss with the department on how to improve our auction rings so that we collect more revenue. Let me leave it there. I support the report.

*(Applause)*

**Mr. Deputy Speaker:** Thank you, Hon. Isaiah Sudi. Let's have the mover to reply.

*(Applause)*

Honorable members, there is a reason and that is why Hon. Ken has switched off and Hon. Nganga used a lot of his time to bring us where we are. He is a good member and I like how he contributes. Let us have the mover to reply.

**Hon. Tony Barasa:** Thank you, Hon. Speaker. I want to thank all members and especially *Mheshimiwa* Sudi and other members for their contributions. If you go to page 13 where Hon. Sudi was talking about level 4 and 5 hospitals, and if you go down there it talks about uplifting the institution from level 5 to 6. The way Honorable Minority leader has said, it is going to cushion our County and budget meant for the current Level 5 will be used for level 4 hospitals and dispensaries. So it's a good motion and I urge this House to support the report.

*(Applause)*

**Mr. Deputy Speaker:** Thank you, Hon. Tony Barasa, Member for Lwandanyi.

*(Question put and agreed to)*

The ayes have it.

*(Applause)*

The report and its recommendations are adopted. Table clerks will ensure that the same is disseminated to various offices for action as recommended.

Next item.

## ALTERATION OF THE HOUSE CALENDAR 2025

**Mr. Deputy Speaker:** Hon. Leader of Majority, Hon. Joseph Nyongesa Juma.

**Hon. Joseph Nyongesa:** Thank you Mr. Speaker. Because of time, let me preserve my comment but proceed with the procedural motions.

That pursuant to Standing Order 31(4), I move that the following sitting of the House scheduled for today Wednesday 30<sup>th</sup> April, 2025 at 2:30 p.m. which is set aside for the presentation of the Budget estimates, the House resolves that the sitting be scheduled on Tuesday 6<sup>th</sup> May, 2025 at 2:30 p.m. to consider the report from the Selection Committee and that after that the House proceeds on the long recess.

Allow me call upon Hon. Everton Nganga to second.

**Mr. Deputy Speaker:** Thank you, Majority Leader. Hon. Everton Nganga, member for East Sang'alo proceed!

**Hon. Everton Nganga:** Thank you, Hon. Speaker for a chance to second the motion that has been moved by our Majority Leader.

Because of the issues that have not been resolved by this House, it is prudent that we have a sitting on Tuesday next week so that we consider the report of Selection Committee. I second.

**Mr. Deputy Speaker:** Thank you, Hon. Nganga. Honorable Members, allow me now propose the question for debate that pursuant to Standing Order 31(4) the House scheduled for today Wednesday 30<sup>th</sup> April, 2025 at 2:30 p.m. which is set aside for the presentation of the budget estimates, the House resolved that a sitting be scheduled on Tuesday the 6<sup>th</sup> day of May, 2025 at 2:30 p.m. to consider the report from the Selection Committee and that after this sitting, the House proceeds on a long recess. I propose.

Hon. Mukhongo, you have to be orderly. Well Honorable members allow me now put the question that pursuant to Standing Order 31(4) the House scheduled today Wednesday the 30<sup>th</sup> day April, 2025 2.30 p.m. which is set aside for the presentation of the Budget estimates, the House resolves that a sitting be scheduled on Tuesday 6<sup>th</sup> day May, 2025 at 2:30 p.m. to consider the report from the Selection Committee and that after that the House proceeds on a long recess.

*(Question put and agreed to)*

The ayes have it; the motion is adopted.

*(Applause)*

## ADJOURNMENT

I wish to remind Honorable Members that you are invited to attend a session at Masinde Muliro stadium for the issue of ECDE material. Kindly purpose to attend because it is an important function as it touches on our core mandates as a County Government.

Honorable members, that was our last item on the Order Paper, the House stands adjourned.

*The House rose at 11:26 a.m.*