CAB/HR/HD/005

COUNTY GOVERNMENT OF BUNGOMA

COUNTY ASSEMBLY OF BUNGOMA

COUNTY ASSEMBLY DEBATES

THE DAILY HANSARD

WEDNESDAY, 11TH MARCH, 2026

Afternoon Sitting

3rd County Assembly **5th Session**

Version 00 **Revision 00**

COUNTY ASSEMBLY OF

BUNGOMA

THE DAILY HANSARD

WEDNESDAY, 11TH MARCH, 2026

The House met at the County Assembly Chamber

at 2:30 p.m.

(Mr. Deputy Speaker [Hon. Stephen Wamalwa] in

the Chair)

PRAYER

COMMUNICATION FROM THE CHAIR

Honourable members, I do have a communication to make and this communication is in relation to the morning sitting where Hon. Chemorion mentioned about Hon. Kapondi and the issue about the land report that was going on. In the process, Hon. Chetekei Chikati stood on a point of information and equally insinuated that that Hon. Susan Kihika Governor Nakuru had grabbed land belonging to the statehouse in Nakuru which he did not substantiate. Being a very serious allegation, I direct that the same be expunged from the records of this House. Thank you. Proceed!

PAPERS

1. REPORT OF THE COMMITTEE ON JUSTICE ,COHESION AND LEGAL AFFAIRS ON THE SUMMARY OF CASES AGAINST THE COUNTY GOVERNMENT OF BUNGOMA

Mr. Deputy Speaker: Yes, proceed Hon. Maruga Psero, member for Chesikaki!

Hon. Jacob Psero (Chairperson, Justice): Mr. Speaker Sir, Allow me to table a report on the summary of cases against the County Government of Bungoma. I table.

Mr. Deputy Speaker: Honorable members, the report on the summary of cases against the County Government of Bungoma having been tabled becomes the property of the House.

2. REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE BUNGOMA COUNTY FISCAL STRATEGY PAPER 2026

Mr. Deputy Speaker: Hon. Benjamin Jeremiah Otsiula, member for Khasoko!

Hon. Benjamin Otsiula (Chairperson, Budget): Thank you Hon. Speaker. I lay on the table of this Honorable House a report by the Budget and Appropriations committee on the County Fiscal Strategy Paper 2026.

Mr. Deputy Speaker: Thank you Honorable Members. A report by the Budget and Appropriations Committee on County Fiscal Strategy Paper 2026 having been tabled becomes the property of the House accordingly. Next item!

NOTICES OF MOTION

1. THAT THIS HOUSE ADOPTS THE REPORT OF THE COMMITTEE ON JUSTICE, COHESION AND LEGAL AFFAIRS ON THE SUMMARY OF CASES AGAINST THE COUNTY GOVERNMENT OF BUNGOMA

Mr. Deputy Speaker: Hon. Jacob Psero Maruga, member for Chesikaki!

Hon. Jacob Psero (Chairperson, Justice): Mr. Speaker Sir, allow me to issue a notice that this House.... I repeat, notice of motion that this House adopts the report of the Committee on Justice, Cohesion, Legal Affairs on the summary of cases against the County Government of Bungoma .

Mr. Deputy Speaker: Thank you so much Hon. Maruga Psero. Honorable Members, a notice of motion of the Committee on Justice, Cohesion and Legal Affairs having been issued, I direct that the same be circulated in time for Honorable Members to go through and it will form part of business that will be considered by the House after ratification by the House Business Committee. I want to urge the Honourable Members to be keen with this report because it forms one of the serious issues that affect the pending bills of this County so we have to be very keen, hands on so that we get to understand deeply the report.

2. NOTICE THAT THIS HOUSE NOTES THE REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE BUNGOMA COUNTY FISCAL STRATEGY PAPER 2026

Mr. Deputy Speaker: Yes, Hon. Benjamin Jeremiah!

Hon. Benjamin Otsiula (Chairperson, Budget**)**: Thank you Hon. Speaker. I rise to issue a notice of motion that this House notes the report of the Budget and Appropriations Committee on the Bungoma County Fiscal Strategy Paper 2026.

Mr. Deputy Speaker: Thank you Hon. Benjamin Otsiula. Members, again I want to therefore direct that the same be circulated so that we can get to understand it deeply. Remember this is going to form the basis of ceilings in the coming Financial Year and therefore each one of us has an undertaking to go through so that we understand and do justice to our people. Let it be circulated accordingly for noting purposes by the House.

MOTION

REPORT OF THE PUBLIC ACCOUNTS AND INVESTMENTS COMMITTEE ON THE REPORT OF THE AUDITOR GENERAL ON THE KIMILILI MUNICIPALITY FOR FY 2024/2025

Mr. Deputy Speaker: Yes, Hon. Lumbwani Mukoyandali Job, Member for West Bukusu, Proceed!

Hon. Job Mukoyandali: *(Mover|)* Thank you Hon. Chair. I am here to move a report of the Auditor General on the Kimilili municipality FY 24...

Mr. Deputy Speaker: Hon. Mukoyandali, I can hear murmurs, as is the tradition. Let us have a quorum but members remember we have some committees out with permission. The Labour committee, I do not know how many members are affected?

Hon. Job Mukoyandali: Hon. Speaker, I am sure the numbers here are overwhelming.

Mr. Deputy Speaker: The Public Administration and ICT committee members please be upstanding? Sorry, Public Accounts and Investments. That is 11 members, so if we have six it’s sufficient. Yes proceed!

Hon. Job Mukoyandali: Thank you Hon. Speaker, I am here on behalf of the committee on Public Accounts and Investments committee to move a report on the Auditor General on the Kimilili municipality Financial Year 24/25

CHAPTER ONE

Hon. Speaker Sir

On behalf of the Members of Public Accounts and Investments Committee and pursuant to the provisions of Standing Order No. 209 and in accordance with Article 227(8) of the Constitution of Kenya 2010, it is my pleasure and duty to present to this Assembly, the Committee report on the report of the Auditor General on Kimilili Municipality for the period ended 30th June 2025.

Acknowledgment

Honorable Speaker,

The Committee wishes to express its gratitude to your office for allowing us sit outside the precincts of the County Assembly to prepare this report, further our great thanks goes to the office of the Clerk for facilitating the committee to execute its mandate and lastly the secretariat of the committee and the officers from the office of Auditor General for exemplary technical and logistical support that led to the production of this report.

I will skip the mandate of the committee and the powers and look at the guiding principles

Guiding Principles

Audit of public accounts

According to Article 229(4) (b) of the Constitution of Kenya, within six months after the end of each financial year, the Auditor General is required to examine the Financial Report on the Accounts of all funds and authorities of the National and County Governments and express an opinion on the report on whether money appropriated by Parliament or the relevant County Assembly and disbursed;

- Has been applied for the purpose for which it was appropriated or raised and
- Expended in conformity with the authority that governs it; and was expended economically, efficiently and effectively.

The Audit reports shall then be submitted to Parliament or the relevant County Assembly for debate and consideration.

Executive Summary

The Report of the Auditor General on the Financial Statements of Kimilili Municipality highlights significant financial reporting, governance, and operational weaknesses during the year under review. The audit resulted in a **Qualified Opinion**, primarily due to inconsistencies in opening and comparative balances and other compliance concerns.

The audit identified material variances between the current financial statements and the prior year's audited figures (FY 2023/2024).

Management attributed these differences to omitted staff costs for two months, a change in depreciation policy from reducing balance to straight-line in line with public sector asset management guidelines and IPSAS requirements, and errors in recording trade payables.

Concerns also remain regarding unconfirmed transfers from the County Government to Kimilili Municipality.

The audit further revealed weaknesses in budgetary control and performance, the Municipality failed to prepare explanatory budget notes as required under Section 164(2)(iv) of the Public Finance Management Act, 2012.

The report also notes unresolved prior year audit matters, contrary to Section 31(1)(a) of the Public Audit Act, 2015, which requires submission of implementation status reports within prescribed timelines.

Governance and institutional weaknesses were observed, including failure to competitively recruit a substantive Municipal Manager as required under the Urban Areas and Cities Act, 2011 and the Kimilili Municipality Charter (2018).

Further, the Municipality lacks operational autonomy, as core functions continue to be executed by the County Executive of Bungoma. Despite the opening of an operational account, signatory authority remains with the County Treasury, undermining the Municipality's corporate status as envisioned under the Urban Areas and Cities Act, 2011.

Lastly, the Municipality has failed to settle outstanding trade and other payables, contrary to Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015, which prioritizes debt service obligations. Management has proposed a payment plan which initially was awaiting the supplementary budget approval.

Overall, the audit underscores the need for strengthened financial controls, improved budget discipline, timely implementation of audit recommendations, enhanced governance compliance, and full operational autonomy to promote accountability, transparency, and effective service delivery in Kimilili Municipality.

Committee Membership

1. Hon. Everton Nganga — Chairperson
2. Hon. Job Mukoyandali — Vice Chairperson

3. Hon. Charles Nangulu — Member
4. Hon. Cornelius Makhanu — Member
5. Hon. Florence Juma — Member
6. Hon. Maureen Wafula — Member
7. Hon. Allan Nyongesa — Member
8. Hon. Metrine Nangalama — Member
9. Hon. Kennedy Wanyama — Member
10. Hon. Evelyn Anyango — Member
11. Hon. Sheilla Sifuma — Member

The report was signed by the Chairperson on 14th January, 2026

CHAPTER TWO

REPORT OF THE AUDITOR GENERAL FOR KIMILILI MUNICIPALITY

Qualified Opinion

Basis:

Accuracy of Opening and Comparative Balances in the Financial Statements

The financial statements for Kimilili Municipality reflect comparative amounts and opening balances which differ in comparison with those stated in audited financial statements of previous financial year 2023/2024 as shown below;

i. Staff costs amount of Kshs.14, 723,362 differ with Kshs.12, 085,604, resulting to an unexplained variance of Kshs.2, 637,758.
ii. Depreciation and amortization expenses amount of Kshs.1, 989,172 differ with Kshs.1, 866,301, resulting to an unexplained variance of Kshs.122, 871.
iii. Property, plant and equipment balance of Kshs.111, 915,541 differ with Kshs.111, 830, 713 resulting to an unexplained variance of Kshs.84, 828.
iv. Trade and other payables balance of Kshs.45, 284,657 differ with Kshs.42, 439,200, resulting to an unexplained variance of Kshs.2, 845,457.
v. Accumulated surplus balance of Kshs.67, 916,314 differ with Kshs.70, 676,943, resulting to an unexplained variance of Kshs.2, 760,629.

Management Response

i. The staff costs for May and June, amounting to Kshs. 2,637,758 had not been captured in financial statements for FY 2023/24. Thus, under reporting of staff costs as Kshs.12, 085,604. This was corrected in FY 2024/25 to Kshs. 14,723,362 as per accrual reporting requirement.

ii. In FY 2023/24, the depreciation method used was reducing balance. Thus, the management guided by the Asset and Liability Management in the Public Sector Guidelines - 2020 adopted the straight-line depreciation policy. IPSAS 3 recommends on adjustment in case of change in use of policy (for consistency), thus the variance of Kshs.122, 871 is attributed to the difference in the depreciation method as below:

iii. The trade payable in FY 2023/24 financial statements was under casted by Kshs. 207,700. This error was occasioned by wrong posting of transactions for 2 companies (Blue magma Limited and Wekesa Communications Limited). Blue Magma Limited was captured as Kshs. 3,091,120 (contract sum) instead of Kshs. 3,027,380. Thus, over casted by Kshs. 63,740. Wekesa Communications Limited was captured as Kshs. 2,669,740 instead of Kshs. 2,941,180. Thus, under casted by Kshs. 271,440. Thus, a net under cast of Kshs. 207,700.

iv. The variance of Kshs.2, 845,457 was occasioned by 2 months' salary not captured at the end of the FY 2023/24 of Kshs.2, 637,758 and under casted trade payables of Kshs.207, 700 as computed below.

vi. The under casted 2 months' salary of Kshs.2,637,758 and under casted depreciation of Kshs.122,871 occasioned the changes in accumulated surplus by Kshs.2,760,629.

Committee Observation

Issue Addressed

The Management provided supporting documents to support the variances and provided restated financial statements to confirm the adjustments made in the prior year balances.

Unconfirmed Transfers from the County Government

The statement of financial performance reflects transfers from the County Government amounting to Kshs.32, 704,128. However, the supporting direct expenditure vouchers incurred by the County Executive of Bungoma on behalf on the Municipality amount to Kshs.32,495,928, resulting to an unexplained variance of Kshs.208,200.

Management Response

The actual transfer from the County Executive was **Kshs. 32,704,128**. The variance of **Kshs. 208,200** between Note 6 of the financial statements and the supporting vouchers was caused by:

- **Kshs. 207,700** arising from under-casted expenditures where trade payables were recorded net instead of gross.
- **Kshs. 500** resulting from an error of commission in a KPLC payment, which was incorrectly captured as **Kshs. 30,350** instead of **Kshs. 30,850**. These two items together fully explain the **Kshs. 208,200** discrepancies.

Committee Observation

Issue addressed

The management provided supporting documen**ts which explained the variance** of Kshs.208, 200.

Budgetary control and performance

The statement of comparison of budget and actual amounts reflects revenue final budget and actual on comparable basis amounts of Kshs.95, 337,575 and Kshs.32, 704,128 respectively, resulting to an under-funding of Kshs.62, 633,447 or 66% of the budget. Similarly, the Municipality expended an amount of Kshs.35, 132,123 against an expenditure budget of Kshs.42, 698,217 resulting to an under-expenditure of Kshs.7, 566,094 or 18% of actual revenue. The Management did not prepare budget notes to explain material under and over expenditure.

Management Response

The underfunding is majorly attributable to non-realization of KUSP grant of Kshs. 45,368,215. The grant is expected to be realized in FY 2025/26.

Committee Observation

The Management explanation does not address the issue as the grant indicated to be received from KUSP is not reflected in the statement of budget.

Committee Recommendation

The Accounting Officer for Kimilili Municipality should always ensure preparation of budget notes as per the budget guidelines as under section 164(2) (iv) of the Public Finance Management Act, 2012 which states that the Accounting Officer shall include in the financial statements a statement explaining any variations between the actual expenditure and the sums voted.

The auditor should monitor the same in the subsequent audit cycle.

Unresolved prior year matters

In the previous year's audit, several issues were raised under Report of the Financial Statements, Report on Lawfulness, Effectiveness in the Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Annex 1 to the financial statements in respect to progress on follow-up of Auditor's recommendations indicates that the issues were either resolved, partially resolved, or not resolved. Further, explanations were not provided for failure to implement the recommendations. a/,mb

Management Response

The progress of the status of the prior year matters 2023-2024 is available for audit review.

Committee Observation

Prior year matters had not been addressed by the management as the status report provided had not been shared with the office of the auditor general to verify and determine the status and extend of resolving prior year matters.

Committee Recommendation

Section 31(1) (a) of the Public Audit Act, 2015 states that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

Therefore the Committee directs that within sixty days from adoption of this report, the accounting officer should ensure submission of the status report on implementation of the audit recommendations and observe the same in subsequent audit cycles.

Failure to appoint a substantive municipality manager

During year under review, two acting managers were deployed at different periods in the Municipality by County Executive of Bungoma. However, the reasons for failure to competitively appoint a municipal manager in compliance with the law was not provided for audit review.

Management Response

The process of competitively recruiting a substantive Municipality Manager is currently underway through the County Public Service Board. The acting appointments were made to ensure continuity of service pending the completion of the recruitment process. The Board is committed to ensuring full compliance with the Urban Areas and Cities Act, 2011, and the Municipality Charter.

Committee Observation

The Municipality has not recruited a substantive municipality manager as required by the Urban Areas and Cities Act, 2011 and the Municipality Charter approved by the County Assembly of Bungoma in 2018.

Committee Recommendations

Paragraph 1.1.66 of the Kimilili Municipality charter states that the Municipality manager shall be competitively recruited and appointed by the County Public Service Board.

Section 29 of the Urban Areas and Cities Act, 2011 states that a city or Municipal Manager shall be competitively recruited and appointed by an institution responsible for recruiting public servants in the county.

The County Executive having put in place the County Public Service Board, the Committee directs that municipal managers' positions should be immediately advertised and the Officers to fill the offices be competitively recruited as Municipal Managers, the status report to be submitted to the County Assembly within sixty days from adoption of this report.

Lack of Operational Autonomy of Kimilili Municipality

During the year under review, it was observed that all the functions of the Municipality were carried out by the County Executive of Bungoma through departments of lands, housing, urban areas development and physical planning, and department of road and public works which is contrary to the law.

Management Response

The Municipality has initiated measures to operationalize its executive functions in accordance with the provisions of the Urban Areas and Cities Act, 2011. The process of delegating specific executive authority from the County Executive to the Municipality Board is underway to ensure full compliance with the law and to enhance the autonomy and effectiveness of municipal operations.

Operational account has been opened for the municipality.

Committee Observation

The Committee observes that it has taken too long for operational autonomy to be granted to the Municipality.

Although the Management response indicates that the County Executive has approved the transfer of all functions and Operational account opened for the municipality the transfer has not been implemented.

The Municipal Manager has not been granted signatory rights as the operational accounts opened are still managed at the County treasury.

Committee Recommendations

Section 21(1) (a) of the Urban Areas and Cities Act, 2011 which gives Municipalities executive authority as delegated by County Executive, and Section 12 (2) of the Urban Areas and Cities Act, 2011 states that the Board of an area granted the status of a City or Municipality under this Act, shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of; -

a) Suing and being sued;

b) Taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property;

c) Borrowing money or making investments;

d) Entering into contracts; and

e) Doing or performing all other acts or things for the proper performance of its functions in accordance with this Act or any other written law which may lawfully be done or performed by a body corporate.

The Committee hereby directs that the Chief Officer finance immediately ensures signatory rights and powers to the existing operational accounts are given to the municipal managers immediately.

The Committee directs that the body corporate status be granted to the municipality as under the Urban Areas and Cities Act, 2011 for autonomous purposes as the municipalities are always audited independently, a status report to be submitted to the County Assembly within sixty days from the day of adoption of this report.

CHAPTER THREE

Root cause Analysis and Recommendations

Review of report of the Auditor General's reports on Kimilili Municipality for FY 2024/2025 point to systemic weaknesses rather than isolated errors.

General Recommendations

To address the identified weaknesses, the following measures are recommended:

1. Strengthen Financial Controls and Reporting

- Implement regular reconciliation of opening balances and prior-year figures before financial statement preparation.
- Establish a robust internal control framework, including monthly financial reviews and supervisory approvals.
- Enhance compliance with IPSAS requirements through capacity building and external technical support where necessary.

2. Improve Budgetary Discipline and Transparency

- Ensure timely preparation of explanatory budget notes in compliance with the **Public Finance Management Act, 2012**.
- Strengthen budget monitoring through quarterly performance reviews and variance analysis.
- Develop realistic cash flow projections to prevent accumulation of pending bills.

3. Enhance Audit Follow-Up Mechanisms

- Establish an Audit Implementation Committee to monitor progress on audit recommendations.
- Submit implementation status reports within statutory timelines as required under the **Public Audit Act, 2015**.
- Institutionalize internal audit follow-ups before external audit cycles.

4. Strengthen Governance and Institutional Autonomy

- Expedite competitive recruitment of a substantive Municipal Manager in compliance with the **Urban Areas and Cities Act, 2011** and the Municipality Charter.

- Fully operationalize municipal bank accounts with appropriate signatory authority transferred from the County Treasury.
- Clearly delineate roles between the Municipality and the County Executive to safeguard corporate status and accountability.

5. Address Pending Liabilities

- Implement the proposed payment plan immediately upon supplementary budget approval.
- Prioritize settlement of outstanding trade and other payables in line with Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015.
- Introduce commitment control systems to prevent future accumulation of arrears.

Conclusion

The issues identified stem largely from weak internal controls, governance gaps, capacity constraints, and limited operational autonomy. Addressing these root causes requires institutional reforms, strengthened financial management systems, strict legal compliance, and enhanced accountability mechanisms. If implemented effectively, these recommendations will improve transparency, restore financial integrity, and enhance service delivery within Kimilili Municipality.

Hon. Speaker, I beg to move this report. The adoption schedule has been signed by all the 11 members. I call upon Hon. John Kennedy Wanyama to second the report.

Mr. Deputy Speaker: Very well. Thank you Hon. Job Mukoyandali for moving the report. Let’s now have the Hon. John Kennedy specially elected to second.

Hon. John Kennedy Wanyama: Thank you Mr. Speaker. I rise to second a motion by Public Accounts and Investment Committee being a report of the Auditor General on Kimilili Municipality on the financial year 2024/2025

Other than issues on weak internal controls and capacity constraints as clearly noted in the report, I want to spend more time or focus on issues of operated autonomy of municipalities. Section 21 subsection1 subsection A and section 12 subsection 2 of the Urban Areas and Cities Act 2011 give municipalities executive authorities as delegated by the executive and states that

Municipalities are body cooperates capable of among other functions borrowing money and making investments.

There seems to be an intentional plan to micro manage operations of these municipalities. While municipalities are supposed to be fully autonomous, we have noted that signatory rights are still held by the CEC Finance which contravenes the law.

Likewise, operation accounts are also managed by the Executive, the CEC Finance meaning that they cannot even procure a pen. Before doing that they must get permission from the Executive. This is a little bit weird to me noting that these municipalities are supposed to be audited independently by the Office of the Auditor General. So how does the board present financial statements for audit yet they are not fully in charge of this financial statements?

Mr. Speaker, we have clearly indicated that the Executive must ensure that the corporate status of these municipalities is granted so that they become fully autonomous and are able to discharge their duties more effectively. Mr. Speaker, this should not only include signatory rights, but also the transfer of all functions. I second, Mr. Speaker. Thank you.

Mr. Deputy Speaker: Thank you, Hon. John Kennedy, for seconding. Honourable Members, allow me now to propose the same for debate;

(Question proposed)

On the line, we have Hon. George Makari, Member for Musikoma, followed by Hon. Tony Khaoya Barasa, Member for Lwandanyi.

Hon. George Makari: Honourable Speaker, Hon. Tony Khaoya does not even have a card, how did you see him? He has not logged in. Honourable Speaker, how is it that you can see Hon. Tony yet he has not logged in? I am wondering, unless there is something happening that we are not aware of.

Deputy Speaker: I have double vision.

Hon. George Makari: Honourable Speaker, thank you. I want to first allow the mover and the seconder of the motion. The seconder, Honourable Speaker, is a CPA, and the mover is a very eloquent and Honourable Member. He once served in my Health Committee, but the other coalition, in their own wisdom; or lack of it; removed him. I pleaded with that coalition to reinstate him, but they declined.

Honourable Speaker, you also know the Chair of the Committee. He once taught me accounts, though I will not mention the institution. However, one time my examination fees were misused, and I was unable to sit for my exams. Despite that, I can attest that he is an excellent teacher of accounts and has mastery of the subject.

Honourable Speaker, I have one issue. Before supporting the report, I note that the Auditor General has issued a qualified opinion. For those familiar with accounting, a qualified opinion indicates that there are issues, whereas an unqualified opinion indicates a clean report. I know you understand this, although there are a few Honourable Members who may not…

Mr. Deputy Speaker: Hon. Makari, how do you determine who does not understand? From where I sit, I believe all Members understand.

Hon. George Makari: I will not name them, but I know some do not. So when the Auditor gives a qualified opinion…

Deputy Speaker: Hon. Johnston Okasida, you have a point of order.

Hon. George Makari: Honourable Speaker, I had reserved some remarks for Hon. Johnston Okasida…

Deputy Speaker: Let him raise his point first; you can respond afterward.

Hon. Johnston Okasida: *(On a point of information)* Honourable Speaker, those remarks amount to intimidation. He is trying to demean and threaten me. On what basis did Hon. George Makari conduct a survey to conclude that some of us do not understand accounting?

Deputy Speaker: Hon. George Makari, you must substantiate or withdraw that statement.

Hon. George Makari: No, I stand by it. Hon. Tony Barasa has even confirmed that he is among those who do not understand accounting. So I am referring to him. Hon. Johnston Ipara is safe, except for one issue I will address later.

Deputy Speaker: So you mean some Members lack basic accounting knowledge?

Hon. George Makari: Yes, basic accounting knowledge.

Deputy Speaker: Let us proceed. Hon. Johnston Ipara, please relax and allow Hon. Makari to finish.

Hon. George Makari: Thank you, Honourable Speaker. Order, Members. Let me proceed.

Deputy Speaker: Order, Members. Honourable Leader, Hon. George Makari, you may continue. Honourable Members, especially Hon. Isaiah Sudi, please resume your seat. As I said earlier, all Members generally understand accounting, except perhaps Hon. Tony Barasa, who has admitted otherwise.

Hon. George Makari: Thank you, Honourable Speaker. You know Hon. Isaiah Sudi is my neighbour, and neighbours often have boundary disagreements.

Now, Honourable Speaker, my concern is Item Number One, accuracy of opening and comparative balances in the financial statements. The Auditor General flagged discrepancies between opening and closing balances.

However, the committee's observation states that the management provided supporting documents and restated financial statements to justify the variances. This effectively clears the Municipality Board.

Honourable Speaker, when the Auditor General raised the issue, he had already requested documentation which was not provided. Auditors do not raise such issues arbitrarily, they base their findings on available evidence.

Now the committee claims that the Municipality later provided documents. At what point were these documents presented? When the Auditor conducted the audit, the documents were not available. I have served as a CDF Chair and interacted with auditors. They sit with you and request all necessary documentation. If you fail to provide it, they record that as a finding and issue a qualified opinion.

So if the Auditor was not satisfied due to lack of documentation, how does the committee later become satisfied when the same documentation was not initially provided? This presents a clear inconsistency.

Honourable Speaker, on the second issue; unconfirmed transfers from the County Government; the committee agrees with the Auditor General. On the third issue; prior year matters; the committee also agrees that unresolved issues existed.

My only concern is item number one. Documents presented after the audit cannot change the original finding. So, Honourable Speaker, when the Chair, Hon. Job Mukoyandali, responds, I request clarification on that specific issue. Otherwise, I support the report.

Mr. Deputy Speaker: Thank you, Hon. George Makari, Member for Musikoma. Hon. Tony Barasa, Member for Lwandanyi.

Hon. Tony Barasa: Thank you, Honourable Speaker. I rise to support the report and raise two issues.

First, under the Urban Areas and Cities Act of 2011 and the Municipality Charter of 2018 approved by this House, municipalities are required to have managers. This applies not only to Kimilili but to all municipalities. I commend Hon. Kennedy Wanyama for elaborating on this issue.

As Assemblies, we seek financial autonomy, and municipalities should equally be granted autonomy to perform their mandates effectively. This is not a favour but a legal requirement. The House should provide timelines for the Executive to implement this.

Honourable Speaker, lack of autonomy is affecting multiple sectors. Even Level 2 and Level 3 hospitals are being micromanaged by the Executive. Similarly, VTCs lack financial independence; even simple procurements must be handled centrally. We must prioritize financial autonomy for these institutions.

Secondly, I note an inconsistency between pages 6 and 17 of the report. Page 6 refers to "Naitiri-Tongaren Ward," yet page 17 refers only to Tongaren Ward. This must be corrected for accuracy.

On recommendation one, I suggest that the implementation team should report to the House through the committee, rather than directly to the committee, to avoid conflict of interest.

Finally, recommendations three to seven emphasize funding. Adequate budget allocation is necessary for verification, surveying, beaconing, and land registration.

In my ward, large tracts of public land have been grabbed and developed, including schools built on public land. We must reclaim these lands. With those remarks, I support the report.

Mr. Deputy Speaker: Thank you, Hon. Barasa. Let us now hear from the Leader of Majority, Hon. Joseph Nyongesa.

Hon. Joseph Nyongesa: Thank you, Speaker. I wish to contribute briefly. I was impressed by the seconder, but beyond autonomy, we must address the appointment process of municipal officials.

We are aware of irregularities in appointments, where qualified individuals were overlooked. The Assembly remained silent at the time, and that contributed to current challenges.

The report highlights weak internal controls, governance gaps, and capacity constraints. This raises concerns about whether current municipal managers possess the necessary qualifications.

As we adopt this report, we must ensure that proper procedures are followed in appointing municipal managers to prevent future issues. I support the report.

Deputy Speaker: Thank you, Leader of Majority. Hon. Johnston Okasida.

Hon. Johnston Okasida: Thank you, Honourable Speaker. I was particularly interested in the seconder's remarks regarding municipalities.

Even the acting officers currently serving were appointed by the County Government in contravention of the law. Under Article 185, our role is to oversee the County Government and ensure compliance with the law, yet this has not been done.

For four years, committees have consistently requested the Executive to transfer functions to municipalities, but this has not been done. The report mentions that accounts have been opened, yet these accounts hold minimal funds and remain under Treasury control. This does not constitute true autonomy.

This failure has deprived the County of resources and hindered development. We must transfer functions, staff, budgets, and assets to municipalities as required by law. Staff should be reassigned internally, not newly recruited.

This is the appropriate time, especially as the CFSP is being prepared, to allocate resources and ensure municipalities operate independently and attract donor funding.

Currently, revenue collection within municipalities is handled by external departments, denying municipalities their rightful income. Yet we continue to pay municipal boards that have no real authority.

Honourable Speaker, this must change. The Public Accounts Committee must act in the interest of the people of Bungoma and I urge that when Hon. Job comes to respond, he should not do so in a defensive manner, but rather as a representative whose constituents are equally affected. I submit.

Mr. Deputy Speaker: Very well, Hon. Okasida. We now have online Hon. Eric Wekesa, Member for Kabuchai-Chwele.

Hon. Eric Wekesa: Thank you, Mr. Speaker, Sir. Based on the submissions presented to this House regarding this report, the Urban Areas and Cities Act 2011 was enacted with a specific purpose. The observed delays and resistance in the transfer of functions largely arise from issues of resources. The Executive tends to seek control wherever there are financial resources involved.

There is also the issue of prolonged acting appointments. It is not appropriate to have qualified officers serving in acting capacities for extended periods. Such individuals are often compelled to act in a certain way in anticipation of confirmation, which may compromise accountability. This cycle continues as one acting officer replaces another under similar conditions.

I commend the Honourable Committee for its work. However, this House has sufficient mechanisms to address the Executive. We should not merely lament. It is regrettable for the House to continually express concern without taking action. We must enforce existing provisions and ensure that those who are out of order are called to account, particularly the Executive, which continues to retain functions that should be under municipal councils, thereby undermining their autonomy.

In conclusion, I note that a Member, though absent, had expressed frustration on social media regarding the lack of autonomy, even stating a willingness to confront the Governor over the matter. This reflects the urgency of the issue, which has persisted for too long, including the need for the Senate to pronounce itself. As we support this report, I urge that its recommendations be taken seriously and implemented effectively. I submit.

Mr. Deputy Speaker: Thank you, Hon. Eric Wekesa, Member for Kabuchai-Chwele, for your contribution. I now call upon the Deputy Whip, Hon. Isaiah Sudi Busolo, Member for South Bukusu.

Hon. Isaiah Sudi: Thank you, Honourable Speaker. I rise to support the report as presented by Hon. Job.

There is a book in the Bible known as the Book of Lamentations. It appears that this Honourable House is taking a similar direction by repeatedly lamenting. This matter has been under discussion since the 2017–2022 term when the municipal charter was passed. The charter, prepared by the Executive, clearly outlined functions intended for municipalities.

However, the transfer of these functions has not been fully realized. The reluctance appears to be driven by control over resources. This has also led to conflicts, particularly regarding allocation of funds within municipalities, as evidenced by disputes involving municipal Managers and County Executive Committee Members.

The House must take a firm position. We should not continue approving municipal structures without addressing underlying challenges. Doing so amounts to a cosmetic exercise, where institutions are established but remain ineffective over time.

For instance, in Bungoma Municipality, service delivery remains inadequate, including poor drainage and waste management. This is partly due to weak internal mechanisms and lack of competent personnel. Municipalities have not been allowed to recruit essential staff such as engineers, surveyors and accountants, which affects their ability to prepare accurate financial statements and deliver services effectively.

Despite this, municipalities remain under the control of the County Executive Committee Member for Lands, Urban and Physical Planning, limiting their autonomy. The House still has an opportunity, within the remaining time, to ensure proper transfer of functions. This can be achieved through the budget-making process by attaching clear conditions to resource allocation.

As leaders, we must make decisions that serve the public interest, even if they are unpopular. I support the report and urge the Majority side to take a firm position so that the government responds appropriately. Let us move away from lamentation and take decisive action. I rest my case.

(Applause)

Mr. Deputy Speaker: Thank you, Hon. Isaiah Sudi Busolo, Member for South Bukusu. I now call upon the mover, Hon. Lumbwani Mukoyandali Job, Member for West Bukusu, to reply.

Hon. Job Mukoyandali: (*Mover to reply***)** Thank you, Honourable Speaker. I rise to reply. I note with concern that Hon. Sudi has also referred to lamentations, yet we seek to move away from such an approach.

Several issues have been raised; however, most of them are already addressed in the report. I wish to respond to concerns raised by Hon. Makari regarding the accuracy of financial statements. The committee acknowledged the Office of the Auditor General, which was present during the audit and deliberations. The conclusions in the report are based on the Auditor's confirmations that the issues raised had been addressed.

Therefore, the committee did not make arbitrary conclusions but relied on verified information provided during the audit process. Members are encouraged to review the report in detail, particularly the relevant sections outlining these responses.

On the issue of municipal charters, today's discussion is limited to the Kimilili report. A separate report on Bungoma Municipality has already been prepared and will be tabled once scheduled by the Liaison Committee.

The report provides clear timelines for implementation of its recommendations. For example, the appointment of substantive municipal managers is to be undertaken immediately, with a requirement to report back to the House within 60 days. These timelines empower the House to enforce compliance.

Similarly, the committee has directed that signatory authority over municipal accounts be transferred to municipal managers without delay, following findings that such authority remains with the Executive. Compliance must also be reported within 60 days.

The report equips this House with the necessary tools to ensure accountability. Adoption of the report will enable effective follow-up and eliminate the need for continued lamentation.

I urge the House to adopt the report so as to ensure proper operationalization of municipalities and accountability in the management of public funds.

Finally, I wish to note that it is not appropriate to direct the mover of a motion on how to respond. Members should instead raise their concerns within the debate. I beg the House to adopt the report.

(Applause)

Mr. Deputy Speaker: Honourable Members, the debate has been concluded.

(Question put and agreed to)
(Applause)

The report is hereby adopted. The Table Clerks will transmit the same to the relevant offices for implementation in accordance with the recommendations of the Committee as adopted by the House.

ADJOURNMENT

Honourable Members, there being no other business on the Order Paper, the House stands adjourned until Thursday, 12th March, 2026 at 2.30 p.m.

The House rose at 6.00 p.m.