

COUNTY GOVERNMENT OF BUNGOMA

COUNTY ASSEMBLY OF BUNGOMA

COUNTY ASSEMBLY DEBATES

THE DAILY HANSARD

TUESDAY, 29TH SEPTEMBER, 2026

Afternoon Sitting

3rd County Assembly

5th Session

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COUNTY ASSEMBLY OF BUNGOMA

THE DAILY HANSARD

TUESDAY, 29TH SEPTEMBER, 2026

The House met at the County Assembly Chamber at 2:30 p.m.

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

PRAYERS

COMMUNICATION FROM THE CHAIR

Honourable Members, I wish to bring to the attention of the House that we do have the pleasure of hosting visitors from two institutions. First, I wish to welcome students and teachers from Marobo Girls' Secondary School from Luhya/Bwake, Kabuchai Constituency, who have paid this visit to the Assembly to learn and gain practical experience and understanding of the operations and functions of the County Assembly and, by extension, also the functions of the County Executive.

Honourable Members, kindly be able to take up your positions.

(Members take their seats)

Honourable Members, the students are 66 in number. Kindly be upstanding, students from Marobo Girls' Secondary School.

(Applause)

Kindly resume your seats. They are accompanied by the following teachers. I will call out their names; they will be upstanding.

1. Ms. Jane Mabonga, Principal;

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2. Mr. Harun Barasa;
3. Mr. Gerald Wafula;
4. Mr. Emmanuel Juma; and
5. Ms. Melvin Naliaka. Kindly be seated.

(Applause)

Honourable Members, I am also pleased to welcome students from Kibabii University, Department of Journalism and Mass Communication. They are as follows: Kiluake Mercy, Njeri Mercy, Prisca Manot, Jackson Simatoi, Mwanahamisi Ibrahim, Emmanuel Otieno, and Ishmael Emojiong. Be upstanding. Kindly resume your seats accordingly.

(Applause)

Honourable Members, this visit is to provide an important opportunity to the students from Marobo Girls' and equally from Kibabii University to enhance their understanding of the functions of the County Assembly, the Department of Hansard for people doing Mass Communication, Legislative Services, Committee Services, Communication Departments, the Plenary Session, and particularly in relation to the oversight of county governance.

On behalf of the County Assembly, I warmly welcome both delegations to the Assembly. I encourage you students to make the most out of your visits by learning to understand the important role the County Assembly plays in service delivery and in democratic governance.

We appreciate your interest in learning about the operation of county governments, and we hope this visit by the two institutions will be informative, educational and memorable. Once again, welcome to the County Assembly and feel at home.

Honourable Members, at the appropriate time on our Order Paper, I will allow Honourable Members to make some brief remarks about the two delegations from Marobo Girls' and, equally, the students who are doing Mass Communication from Kibabii University. Thank you. We proceed.

QUESTIONS AND STATEMENTS

Mr. Speaker: Honourable Members, once again, on our Order Paper, we are at that stage of Questions and Statements. Allow me to start by inviting Hon. Edwin Opwora, the Honourable

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MCA for Luhya/Bwake Ward, where the school, Marobo Girls, is domiciled, and I equally ask Hon. Sudi to speak on behalf of the Leader of Majority, who is yet to come in, for the students who are from Kibabii University, from the Department of Mass Communication, and others to speak also. Thank you.

Hon. Edwin Opwora: Hon. Speaker, thank you for giving me this opportunity, and thank you for allowing a school from my Ward, Marobo Girls, to visit this County Assembly. This is the second time the school is coming, and I just also want to take this opportunity to thank the teachers and the students who have come today. They have come to the right place.

Marobo Girls is a Friends or Quaker Church school, and it's one of the best county schools in my Ward. I am proud of them. I have visited the school before, I have planted a tree in that school, and I know these students are some of the best-disciplined students in Bungoma County by virtue of the fact that we've not had any serious disciplinary issues, and in terms of academics, they are also doing well.

I just want to encourage the students that, in their life now, there's nothing more important than education because, by virtue of the hard work and the sacrifices their parents are making, they want the best for them and also to allow the teachers to bring them beyond the classroom and show them this environment. I was speaking to the Principal this morning, and actually, she acknowledged that the previous group that was there benefited a lot because, in one of the examinations that was there last year, a question came up which was touching on the legislative arm of the County Assembly, and their visit was very, very important to them.

So, Hon. Speaker, I want to encourage them, and you know, as Nelson Mandela said, it is only through education that you can change the world. It is through education that a child of a peasant can become a doctor. It is through education that a child of a poor miner can also become a pilot. I believe the environment and the experience here have motivated them because some of them also wish to be Members of the County Assembly in future or Members of Parliament, and by virtue of the fact that we have Honourable Members here, the ladies here, it is an encouragement to them that they too can make it here.

So, Hon. Speaker, I just want to thank you again and ask the students to feel free. When they go home, I know right now there are people who are looking for votes in the Wards. Apparently, this session helps them to know that even at the Assembly, you need to speak good English or good Swahili. Yet, in the village, when people are talking Kibukusu, they think sessions here are

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conducted in Kibukusu. So, they can have an opportunity to also tell their parents to ensure that I come back in 2027 to continue the good work that I am doing in Luhya/Bwake Ward.

(Applause)

Otherwise, Hon. Speaker, if there is any other opportunity again that the school might request, I would gladly request that you grant them. I also want to take this opportunity to thank the students of Kibabii University, Mass Communication students. This is a good session for them to attend and see how business is run in the Assembly.

However, Hon. Speaker, it would be good if, in future, we consider airing our sessions here the way it is done in the National Assembly. I believe it will help other people to know that this is a serious House and that the business that we do here actually concerns county affairs as well. Thank you.

Mr. Speaker: Thank you. Hon. Sudi will just speak because the Leader of Majority has just arrived, and he may not be aware of the status. Proceed.

Hon. Sudi Busolo: Okay, thank you, Hon. Speaker, for giving me an opportunity to represent my Leader of Majority, especially for the students from Kibabii University located in Tuti/Marakaru, which is well represented by Hon. Joseph Juma.

I want to advise, before I talk to the university students, let me also make a remark on the students of Marobo Girls, that they have a very good representative here. They have heard him speaking. Edwin and I are alumni of Friends School Kamusinga, and I want to urge our girls that the only equaliser on this earth is education.

As a student, when you read and become a doctor, nobody will know or demean you because you came from Marobo, whether she is from Alliance. You are equally doing the same syllabus. So, I want to encourage my girls that, kindly, work hard. I am a parent of many girls than boys, and girls are very good.

(Applause)

When they speak, if they manage to get employment, as a father, you eat very well. You even forget going to a shop to buy sugar, even your own clothes, because they bring in bulk. Those are

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girls, not boys. So, you girls, kindly work hard. You are lucky; you also have other sisters from Kibabii University.

Next, it should be you when you come here; you are also a student. We refer to you now as visitors from Kibabii University. Kindly, as you go back, read hard, respect your parents and your teachers. Tell your parents to vote again for Edwin. As we have been here many times, let him also be re-elected so that he learns better. He will support you better than what he is doing if he is re-elected.

For Kibabii University students, I know unemployment is an issue for those so-called scholars, but that one should not distract you, should not disturb you, because you are not the only ones. As we are seated here, nobody knew that one time the village elders would get a stipend. The Government is still creating more jobs, and they are only for those who have gone to school.

If, moving forward, in another 10 years, to be a village elder you will need a diploma, which means jobs will come and they will be for those who have gone to school and passed the exams. I have been a student, and you know, university students, when you are in college, you don't know that you have to go out. At times, you forget that parents at home are struggling, then you are not attending lectures, you are not in the college. I have seen a parent coming for the graduation of his son and later on he learned that the son has not been in the college; he's not among the graduands. You can imagine.

So, I want to encourage you that when you are in school, be like a student, like any other. Concentrate on your studies and complete them so that your parents should not come and realise that so-and-so was not among the graduands.

I want to encourage you: you take over from us. This place needs people who have gone to school. You cannot be a Speaker when... you must have some understanding of the laws. As you see these Honourable Members, most of them are high school teachers. You have CPAK here, you have engineers, you have land surveyors like myself, so the Assembly is not made up of academic dwarfs.

(Applause)

Yes, but this is a place of people... you know, we are only 45 in the County, and someone will tell you, yes, you know, we have elected people who have no capacity. All these people have capacity, so I encourage you that the sky should be the limit. Otherwise, read and do PhDs. If

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you get a PhD, you will be a professor and you will not lack a job. I have seen very young people with PhDs. Kindly, the students from Kibabii University, read and disapprove those who demean you.

Hon. Speaker, I don't want to encourage beyond that. I want to stop at that point and wish them well as they go back to their respective areas in Kibabii University and Marobo in Luhya/Bwake. I wish them journey mercies as they go back. Let me leave it at that point.

(Applause)

Mr. Speaker: Hon. Job?

Hon. Job Mukoyandali: Asante Bwana Spika kwa kunipa hii fursa. Kwanza kabisa kuambia wanafunzi wa Shule ya Upili ya Marobo na wale wa Chuo Kikuu cha Kibabii kwamba karibuni hapa Bunge la Bungoma. Hili Bunge kazi yetu ni kuhakikisha kwamba tunatunga sheria ambazo zinawezesha hii Kaunti Yetu kueza kusonga mbele kimaendeleo na miundo misingi mengine.

Kwa wale wanafunzi wa Marobo nawaambia kwamba wakirudi shule waweze kutia bidii katika masomo yao. Sisi katika hili bunge kazi yetu ni kuhakikisha kwamba wakati tunaunda sheria zetu, wakati tuinatengeneza bajeti pamoja na wale wanaowakilisha hapa Mheshimiwa Opwora ya kwamba tuhakikishe kwamba mnapata pesa za karo katika bajeti ambayo tulipitisha na natumai kwamba mheshimiwa atafanya juu chini kwamba shule ya Marobo ipate na wale wanafunzi ambao wanatoka Luuya/Bwake wapate kitengo chao cha karo ili waendeleo kukaa shule wasome. Muwe wenye nidhamu mzuri na pia mpende Mungu muwe watu wa kuomba Mungu. Unapo omba Mungu na ukuwe na nidhamu bila shaka mambo yote ambayo unatarajia kufanya katika maisha yako yatanyoroka kwa njia mzuri.

Mmoja wa walimu aliye hapa Mwalimu Aron tulisoma na yeye chuo kikuu yeye akachukua mkondo wa kuenda kufunza na mimi nikachukua mkondo wa kuja kuwakilisha wananchi watukufu wa Bukusu Magharibi.

(Loud consultations)

(Laughter)

(Applause)

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Kwa hawa wanafunzi ni kwamba katika maisha utazamie kile kitu ambacho unataka kufanya na ufanye kazi kwa bidii. Ukifanya kazi kwa bidii Mungu atakufungulia njia utakaa pale ambapo maombi yako yanaelekea. Kwa hivyo mkirudi shuleni muwe wenye nidhamu mzuri; hii dunia iko wazi kwa kila mtu. Usiende tu shule ulale, maisha yako yatakuwa magumu. Ukienda shule ueke bidii utakuwa na maisha mazuri. Watoto wako pia utaweza kuwafunza na familia yako itaweza kula kwa hiyo matunda ambayo walikufunza ukaketi shule kwa ile miaka yote ambayo umekuwa shuleni.

Ningependa kuachia hapo ila kuwaombea tu wanaporudi shuleni warudi na amani watembe salama.

Kwa wanafunzi wa Chuo Kikuu cha Kibabii tunawaombea mema muendele kuja hapa muendele kusoma. Katika Bunge letu, kuna kile kitengo ambacho kinahakikisha kwamba kila kitu ambacho kinafanyika kwenye Bunge wanaweka kwenye mtandao na wanapeperusha katika hali moja au nyingine. Hapa ni mahali ambapo mnaeza soma vitu nyingi sana na hata kumekuwa na wanafunzi wengi wa Kibabii ambao wamekuwa hapa wakifanya *attachment* ndio hao hapa. Kwa hivyo tunawakaribisha na tunaawaambia karibuni tena wakati mwingine na muendele kusoma. Asante.

(Applause)

Hon. Florence Juma: Thank you, Honourable Speaker, for giving me an opportunity to also say a word to our students from Marobo Girls and to those from Kibabii University. As I stand here, by profession, I'm a journalist, so when I see journalists visiting the House, it is a good profession, and I can guarantee that it is due to the fact that I was a journalist that I was able to get to where I am.

To our girls from Marobo Girls, I want to encourage you that, even as you pursue your studies, also look for a co-curricular activity that you think you can major in. I don't know whether Marobo Girls has journalism as a club, but I think they also have other clubs. Know your strength, and when you know your strength, capitalise on it. Other than education itself, you can also be able to get somewhere in life. I've seen people who have degrees, and they have been working all their lives. They have not been able to get any job. I have seen athletes who... Not that I'm encouraging you not to go any further, but I'm simply saying that, in addition to what you acquire in school, an additional skill can be able to propel you to get to another level.

I was lucky to go to a school by the name of Pangani Girls. I'm an alumna of Pangani Girls, and while I was there, I was also in the journalism club, and it got me talking, and I'm here because

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of my talking. I get paid to talk. So, for you students, look for a skill that you know can earn you a career in life. I wish you well.

I thank your teachers for taking good care of you and for bringing you to this Assembly to be able to see what we do here. We are not very many ladies in this Assembly, but I can guarantee you that we have a voice. When we speak, our good men listen. Also here, we have a say, and even when we have votes, our votes also count. We have Hon. Joan, who is the Deputy Majority Leader. We also have ladies who are Chairs of various Committees. We have Mheshimiwa Christine here, who also sits on the Speaker's Panel. So, young ladies, I encourage you that even as you learn, work very hard.

Other than academics, kindly also look for another extra skill that can also get you further in life. Thank you.

(Applause)

Mr. Speaker: Thank you, Hon. Florence.

I am able to defend your profession so well, and I think I was going to report to you, but I will not report to you today. Hon. Eric. Hon. Meshack is not hearing what I am saying, so you don't have to worry about it. Let's proceed.

(Laughter)

Hon. Eric Wekesa: Honourable Speaker, thank you. I don't know why you keep mentioning my mentor, Hon. Museveni. I want to go straight to what we are dispensing right now. Let me welcome, and add my voice to, the two Honourable Members who welcomed the students of Marobo, that is Hon. Opwora, and our Senior Surveyor, who much more welcomed the students of Kibabii.

There was a serious philosopher whom everybody knows in this House, who was called Aristotle. There is something he said one time: that we are what we do repeatedly. So, he meant that excellence cannot be what you do in one day. Excellence is what you do every day. For the students of Marobo, your head teacher and these two teachers sitting there are my great friends. Madam Jane, I wish she was here. I gave her an A in her subject. I have said it many times when we meet with the school.

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I want to advise the students to balance their subjects because I'm a victim of people who focused on one subject or two, and the mean grade was not as pleasing as it was supposed to be. I scored five As and ended up with a B+. You know, if I would have only made it better in Kiswahili, a subject I used to think was not important, it is what weighed me down. Don't look at some subjects as underdogs. Especially, this is the last Form Four. The cluster points, go and work on them. Balance your subjects. Respect your teachers. The teacher might not be as rich as you are or look as good as you might think, but that's the blessing that God has given you in that school.

We are living in an age whereby we have so many cases of funny things that are happening in girls' schools and high schools. My advice could be, any man who thinks you are a woman and you are a student, that man is confused. You will only look beautiful if you will be rich. When you grow up and you are not rich, people don't see you to be beautiful. You might just work, make jokes, and end up maybe messing up your life, only to realise that, in the future, your pocket matters.

Even nowadays, to ladies, ladies who have money have better chances of getting handsome men. If you don't have money, you might just choose anything that will come your way.

(Applause)

Mr. Speaker: I hope Hon. Allan has heard that...

(Laughter)

Hon. Eric Wekesa: I conclude. For the Kibabii University students who have joined us in this House, they are mature enough to judge how we are looking here. I want to tell you, it's not an easy thing to be an MCA. You must work very hard. Try to vie for a seat. I was a school captain back in high school. Try to vie for a seat and just gain 100 votes. Hon. Keng'ere can tell you that it's not easy to have a thousand people from Mt. Elgon, especially the forest area, to back you up. You must be very convincing, be very sharp, and have some good money. So, as they go back, I advise them to work hard and respect the teachers.

For those in Kibabii, journalism is a good thing. But, as Hon. Florence has said, don't just go and be bloggers and start abusing *Waheshimiwa* because, you know, some people think they are journalists, but they are just harassing people and extorting people. Practise good behaviour in

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the profession, and God will bless you with a good job. I see the Majority Leader is very happy with that point. I raised my case there.

(Applause)

Mr. Speaker: I'll reserve the comment until after the visitors have gone away. Hon. Christine, please, then I have the Majority Leader, please.

Hon. Christine Mukhongo: Thank you, Speaker, for this opportunity to also welcome our girls from Marobo Girls Secondary School. I want to appreciate your coming, and I want also to appreciate Mheshimiwa Opwora for the good work you are doing for the school and other schools in your Ward, including that of Marobo Girls. For me to stand here, I just want to tell the Marobo Girls, our girls, that I'm your colleague. I share a common denominator with you people because that lady called Madam Jane, your Principal, was my teacher at Moi Girls High School. Appreciate me, please.

(Applause)

Mr. Speaker: I thought we were to appreciate her for making you the way you are.

Hon. Christine Mukhongo: Why don't you appreciate me first, and then I'll say something? Madam Jane actually made me. She's one of those people who made me what I am today. She taught me from Form 1, Form 2, up to Form 4, and that was Geography/CRE, and I want to assure you that in CRE, I got an A. She was one of the teachers who was very much appreciated by our Principal, Mrs. Wanjala, because she was a godly lady. Always prayerful. I don't know if she still is, but I know she's a Bishop back in Kimilili.

So, as you go back, I've not seen her. I just heard her name being mentioned here, but I've not seen her. Just take my greetings. Our teachers from Marobo Girls, we really appreciate you. She has been there for a very long time, meaning that you are working well, and the good performance that the school is achieving, we really appreciate the administration through her efforts.

Otherwise, we want to wish you well as you go for your final exams, especially the Form 4s who are winding up the system. We want to wish you well. Work extra smart because we want to see your finishing point. Thank you.

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Mr. Speaker: We will have Hon. Majority Leader, then I will have our Landlord, Hon. Jeremiah, just for two minutes after the Majority Leader.

Hon. Joseph Juma: Thank you, Speaker. I also want to appreciate the two schools for choosing to learn with us, especially the Marobo team. Actually, it's your time. You know, when you are in school, you may think it's not your time, but actually, if you utilise it properly, then tomorrow, you'll also be celebrating. We also thank the teachers for choosing to learn with this institution, and more so for hearing the advice from our seniors and our leaders.

I'm very happy to learn today that, actually, the University team is here to learn with us, especially the team in charge of communication. You know, when Hon. Eric was saying, and my neighbour was telling me that, actually, what we know is that reporters normally report and like to report what is negative. So, that's the one that amused me. I wasn't amused with anything else. So, we hope and wish you the best. Kibabii is a brand. It's a complex of institutions, including Kibabii University, which, actually, we as a community are happy about.

I normally appreciate the team from Kibabii University because they are always mingling well with the community, socialising well with the community, and when they come here, we still again say thank you for embracing the community and maintaining the name of Kibabii as a community.

Otherwise, Members, we wish our institutions well, but it's time that they work so hard to ensure that tomorrow is looking at them. Thank you.

Mr. Speaker: Hon. Jeremiah, two minutes or less.

Hon. Jeremiah Kuloba: Asante Bwana Spika kwa kunipa fursa hii kuchangia na kushukuru wasomi ambao wako katika jumba hili. Kwanza ningependa kumshukuru Mheshimiwa Opwora kwa mipangilio yake ambayo amepanga nyinyi wanafunzi wa Marobo mkaja katika makaazi hapa kuangalia vile kazi inaenda. Sio jambo rahisi, kuna vyuo vingi ambavyo vinataka kuingia hapa watutembelee lakini hawajapata nafasi. Nyinyi mmepata nafasi someni yale ambayo yanaendelea kwa mfano sasa mmeona wale waliyo wengi na wale waliyo wachache mtaenda muambie wale wengine waliyo shuleni.

Kikubwa kwenu wanafunzi nataka muwe na nidhamu, masomo yako ukipata alama mzuri ya A, B, C haitakupeleka mahali hiyo alama yako ni ile nidhamu katika jamii. Nidhamu ile imeanzia

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nyumbani. Mjifunze kukaa na wazazi wenu vizuri na walimu wenu vizuri. Mkitoka shuleni mtakuja kuwa wananchi wazuri katika jamhuri hii.

Kwa sababu ya muda, wale wanaosomea taaluma ya uandishi katika Chuo cha Kibabii, yangu ni kuwatakiya kila la kheri na msiwe waandishi ghushi. Nikizungumzia waandishi gushi nazungumzia wale waandishi ambao ni kama hawakusomea taaluma hiyo na msiangalie kuwa taaluma yenu ya uandishi itakayo wapa kazi, hapana. Jishikilie katika kazi nyingine haswa katika kilimo na mambo mengine sababu kuna wakati utakosa mambo ya kuandika sijui utaandika nini. Lakini ikiwa umeshikilia kilimo utaweza kuishi maisha yale ambayo yanatakiwa. Pia nyinyi muwe na nidhamu mutuheshimu sisi kama wanasiasa. Sisi ndio Mungu alieka hapo, sisi ndio tunawaongoza. Kwa hivyo usiandike mambo mabaya kuhusu wanasiasa kwa sababu kesho utakuwa kiongozi. Mungu atakutayarisha katika hiyo nafasi utembeke na wanasiasa usiandike mabaya na kesho uje uwe mwakilishi wa watu. Asante kwa kunipa hii fursa.

(Applause)

Mr. Speaker: Honourable Members, allow me, on behalf of the Assembly leadership and the rest of the Honourable MCAs present here, to associate my remarks with those that have been made by the Honourable Members earlier here. I would like to address the first category of students from Marobo. This is my common call to all students who are coming here: be disciplined, respect your parents and teachers, and work hard in class. As I have said here getting an A is not sufficient. Be disciplined, and that A will be of value. If you are not disciplined, you may work at best near the police station, which is not good for you. Then, equally, I have been saying to your colleagues who have come here earlier that, when you close school, assist your parents with homework or housework at home, or farm work, so that at least you are active and properly engaged.

For our teachers, we wish you well. You are doing a good job because our children spend 90% of their day with you people, then come home to sleep and go back to school. So, you are doing a good job, and we appreciate that.

Now, for students from Kibabii, the Leader of Majority has spoken about Kibabii, but I will ask you to be disciplined students and have some good dress code. I speak to you as the Chairman of the Service Board and as a person who interviewed some of your colleagues who came for internship. One of the things that was wanting was their dress code. The way people dress while going for interviews before a Board, you need to consider proper dressing.

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Two, avoid negative social media posts. When you go for an interview, before you are interviewed, we will have the entire posts of you in our file, and those negative postings and abuses will make you lose that job. We ask you to be very careful with social media and, above all, avoid AI. I saw some interns coming for interviews, and they had checked the AI. Twenty of them had the same answers, which were all wrong. Avoid it. If you are not sure what you are going to use that AI for, avoid it.

I have had experience with the Leader of Majority here and Commissioner Ali Machani. I was getting answers that are contrary to what I know at this Assembly because we are all aware that we are only 62, but if you go and check on AI, we are told we are 67 in this Assembly, and they are having the same, same answers. Avoid AI. Be good reporters; be good in your profession. Avoid being bloggers and being politicians or mercenaries for hire for the destruction of people's good names. Wish you well, and have a good afternoon.

Next item,

PROCEDURAL MOTION

THE NOMINATION AND APPOINTMENT OF MEMBERS TO THE COUNTY PUBLIC SERVICE BOARD
SELECTION PANEL PURSUANT TO SECTION 58(A) OF THE COUNTY GOVERNMENT'S ACT 2012 REVISED
2020

Hon. Joseph Nyongesa (Leader of Majority): Thank you, Speaker. Allow me move the procedural motion on the nomination and appointment of the members of the County Public Service Board selection panel pursuant to section 58(a) of the County Government's Act 2012 revised 2020.

Aware that section 58(a)(i) of the County Government's Act 2012 provides that wherever a vacancy arises in the County Public Service Board, the Governor shall nominate and with the approval of the County Assembly appoint members to a selection panel for the purposes of selecting suitable candidates for appointment as secretary of the County Public Service Board.

Further aware that section 58(a)(ii) provides that the selection panel shall consist of the following five persons;

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- a. A chairperson not being a public officer
- b. One person from the private sector
- c. An advocate of the High Court of Kenya who is a member of the LSK

Noting that section 58(a)(iii) provides that in nomination of members of the section panel, the governor shall ensure that not more than two thirds of the nominees are of the same gender. Cognizant that vide the letter dated 29th September, 2026 in the words of the Clerk, the governor has resubmitted the names of the five nominees as follows.

- | | |
|-------------------------------|-------------------------------------|
| 1. Julius Bakasa | - Chairperson. |
| 2. Joanne Cheptorus | - representing the private sector |
| 3. Adv. Maloba Hamatton | - representing the LSK. |
| 4. CPK Rita Navalayo Manyonge | - representing ICPAK(19373) |
| 5. Florian Sifuna Nganga | - representing Workers Association. |

Appreciating that the nomination complies with the gender rule as required under section 58(a)(iii) and that the five nominees meet the statutory and professional requirements stipulated in the law. Now, therefore, this House resolves to approve the following five nominees to serve in the selection panel for the recruitment of the secretary to the County Public Service Board.

1. Julius Bakasa, Chairperson from Tongaren constituency
2. Joanne Cheptorus, representing the private sector from Mt. Elgon constituency.
3. Adv. Maloba Hamatton, representing the LSK from Bumula constituency.
4. CPK Rita Navalayo Manyonge, representing ICPAK (19373) from Webuye East constituency
5. Florian Sifuna Nganga, representing Workers Association from Kanduyi Constituency.

Therefore, Mr. Speaker, having reached there, allow me call upon Hon. Everton Nganga to second.

Mr. Speaker: Yes, Hon. Nganga, you proceed.

Hon. Everton Nganga: Thank you, Honourable Speaker. First, I would like to laud the mover of the procedural motion, who is our Leader of Majority in this House. Honourable Speaker, I remember last week, we had this motion in this House, but we were not able to consider it fully because there was a name that had been withdrawn. We also need to be aware that today, our County Public Service Board lacks one person who is very important and a person who should sign the letters showing that somebody has been selected or somebody has qualified to work in the County Government, and that is the Secretary of the Public Service Board. The current

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County Public Service Board is working without that person, and it is prudent that we pass the names that have been read by the Leader of Majority so that we make sure that the County Public Service Board is full or has the members that are required, in line with Section 58 of the County Public Services Act.

Actually, the County Public Service Board should be fully constituted, and the Select Committee that we are supposed to pass is supposed to come up with the person who has the qualifications to work in the position of Secretary to the County Public Service Board of the County Government of Bungoma.

Honourable Speaker, I second the motion, and before I sit down, my name is CPA Everton Sifuna Nganga, and the last name that has been read is Florian Sifuna Nganga. What a coincidence! Honourable Speaker, but I am not related to him. Thank you, Honourable Speaker. I second.

(Loud consultation)

Mr. Speaker: Honourable Members, order! Order! Allow me to be able to propose a motion for debate;

(Motion proposed)

Hon. Jack Wambulwa: Thank you, Honourable Speaker. As I rise to support the motion that is before us, I want to laud the Governor for listening to the advice of the County Assembly and giving us the right members to be able to select a CEO of the Public Service Board. Honourable Speaker, this is a panel that we have been waiting for quite a long time because we need to have a CEO to be able to employ our ECD and VTC teachers. As we speak today, people have taken advantage of that vacuum to call our own daughters and boys from Bungoma County who applied for the same jobs.

I therefore wish that they move with speed and constitute this panel to start doing the interviews. My only concern on this, and we should note it as a House, is that as we appoint the panel, it is very unfortunate that there is no allocation to take care of the same panel. How I wish the first thing would have been that the Governor brings here a supplementary budget to set aside funds to take care of this panel. I say this because I can recall that the majority of these members were in the previous panel that selected the commissioners who are members of the County Public Service Board. To date, they have never been paid, and the argument has been that they have no

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allocation. It is something that the Executive needs to address with immediate effect so that, as they finish their work, they are able to be given their allowances. Otherwise, I want to support this report that is before us so that they move with speed and appoint the CEO of the Service Board. Thank you, Honourable Speaker.

Hon. Francis Chemion: Thank you, Honourable Speaker. First of all, I want to thank the Leader of Majority, who has moved this procedural motion. I look at the names that have been given in this procedural motion. The first name, that is Julius Bakasa, served in the first one where they interviewed the County Public Service Board members, and they did a good job. I am assuming that is the reason the Governor saw it fit to bring back this name as the Chairperson of this Select Committee.

They have also included a very strong lady from the mountain by the name Joan Cheptorus, whom I know. She is a serving teacher, a unionist, and the Women Representative for the KNUT Mount Elgon Branch. She can easily assist in doing whatever is given to her. The rest, including Florian Sifuna, that one has already been given by Hon. Nganga, the brother or the sister.

(Laughter)

And looking at these names, Honourable Speaker...

Mr. Speaker: Hon. Chemion, let me correct one thing. I am aware of Hon. Nganga, the one whose name has been read here. He was my head boy in high school, and from what I know, he comes from across the river, a younger brother to Ken Nganga, nothing with this Nganga.

Hon. Francis Chemion: Thank you, Honourable Speaker. Honourable Speaker, there is nothing wrong if you associate with your friend. I didn't mean that they are...

Mr. Speaker: Now, I am seeing Hon. Nangalama defending Nganga so much. I don't know what the issue is here.

Hon. Jack Wambulwa: *(On a Point of Information)* Thank you, Honourable Speaker. I would like to inform this House and even remind Hon. Nganga that even if Florian is related to you, it has nothing to do with his being appointed to the panel. More so, Honourable Speaker, I can confirm that Hon. Nganga and Florian Nganga are relatives. Why do you run away from your uncle? I am your uncle, and Nganga is my cousin. Why do you want to run away from your uncle? Honourable Speaker, it is true.

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Hon. Francis Chemion: Honourable Speaker, I thank the Lord that area has already been covered adequately, and there is also nothing wrong with this name coming here, even if they are related. It doesn't break any bond. We support this list, Honourable Speaker.

As a Committee on Labour, my Chair is here. We have had issues because, when we are interrogating the Board, sometimes records have issues because they don't have a CEO. They have been struggling to ensure that they run the Board using their knowledge and experience. With the coming of these names, and we are assuming that the Leader of Majority will make a follow-up to ensure that they use the shortest time possible to come up with a name; when the name is brought here, we will also use the shortest time possible to pass it so that the Board becomes fully constituted. I support, Honourable Speaker.

Mr. Speaker: Leader of Majority, to reply to the motion, please.

Hon. Joseph Nyongesa (Leader of Majority): Thank you, Speaker. First, let me appreciate Members for supporting this motion, those who have spoken on it and those who have supported it in silence. Mr. Speaker, on the issue of maybe the budget of the Select Committee, it will be done the same way we normally do in this Assembly. I say this because there is no way we can budget for such committees. Such committees mostly draw their money, especially in the Assembly, from maybe the Management Committee. Committees from the Executive should draw their allowances from the Governor's office, which I think is more than enough, my Hon. Senior Wambulwa. Don't be worried; it is only that maybe the implementation part of it. Otherwise, Members, as we have been told, let us give them this chance so that at least they work on the name when it is brought here. Hon. Francis Chemion is saying that we shall pass it as quickly as possible. Let's not anticipate, because what shall happen is that the committee, which I think, Mr. Speaker, will be the Committee on Labour, will have to read the fit and bring that name here purposely for approval or rejection. Otherwise, Members, I do appreciate you a lot. Thank you, Mr. Speaker.

Mr. Speaker: Thank you Honourable Leader of Majority. Allow me now Honorable Members and proceed, I will be able to put questions at the names as proposed and I have made the indication we'll be voting name by name. The motion has been moved, it has been seconded and debate having ensued that this House resolves to approve the nomination of Julius Bakasa as chairperson to serve in the selection panel for the recruitment of the Secretary to the County Public Service Board;

(Question put and agreed to)

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The name of Julius Bakasa as the chairperson is approved.

2. That this House resolves to approve the nomination of Joanne Chepturus to serve in the selection panel for the recruitment of the Secretary to the County Public Service Board

(Question put and agreed to)

The name, the nomination of Julius Chepturus is hereby approved.

3. That this House resolves to approve the nomination of Advocate Hermilton Maloba to serve in the selection panel for the recruitment of the Secretary to the County Public Service Board.

(Question put and agreed to)

The nominee Advocate Maloba Hamilton is hereby approved.

4. That this House resolves to approve the nomination of CPA Rita Nabalayo Manyonge to serve in the selection panel for the recruitment of the Secretary to the County Public Service Board.

(Question put and agreed to)

The name of CPA Rita Nabalayo Manyonge is hereby approved by the House.

And the last Honourable Members, this House resolves to approve the nomination of Florian Sifuna Nganga to serve in the selection panel for the recruitment of the Secretary to the County Public Service Board.

(Question put and agreed to)

Honourable members, Florian Sifuna Nganga is hereby approved by the House to serve on the panel of the Public Service Board processing of the CEO to the board.

Honourable Members to that level, the Office of the Clerk will transmit these names to the Governor for formal appointment to start now working as a panel after they have been sworn in.

Next item.

MOTION

REPORT BY THE SECTORAL COMMITTEE ON TRADE, ENERGY AND INDUSTRIALIZATION ON THE
BUNGOMA COUNTY TRADE DEVELOPMENT LOAN FUND QUARTERLY REPORT AND FINANCIAL
STATEMENTS FOR THE PERIOD ENDING 31ST DECEMBER, 2025

Mr. Speaker: Yes, Hon. Everline Anyango, on behalf of the committee.

Hon. Everline Anyango: (Mover) Thank you, Mr. Speaker, Sir.

Mr. Speaker: The microphone is on but we are very far from it.

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Hon. Evelyn Anyango: Thank you very much. Thank you, Mr. Speaker, Sir. I'm on my feet to move a motion on the Bungoma County Trade Development Loan quarterly report and financial statement for the period ended 31st December, 2025.

Mr. Speaker, Sir, you will allow me skip the table of contents, the preference, and then I'll go to the membership.

Mr. Speaker, Sir, the Committee on Trade, Energy and Industrialization as currently constituted comprises the following member:

1. Hon. Bernard Kikechi, the chairperson.
2. Hon. John Wanyama, vice chairperson.
3. Hon. Francis Chemion

Mr. Speaker: Yes, Hon. Meshack Museveni, what is the issue?

Hon. Meshack Museveni: Mweshimiwa Spika, unajua hii Assembly tuliweka Sheria ya kwamba lazima tujue kama wanakamati wako wa kutosha au hapana.

Mr. Speaker: Hon. Meshack, I don't sit in the Committee of Liaison. It was passed in the Liaison Committee, but the same Liaison Committee sat because Members were busy complaining and coming in late. That one is not in our Standing Orders; it was relaxed. We only stick to the one for the quorum of the House. I think for past sittings, Members have not been insisting on that. I was expecting that to come from Hon. Chikati, but not the Chief Whip.

Hon. Meshack Museveni: But, Speaker...

Mr. Speaker: Yes.

Hon. Meshack Museveni: Unajua, Spika, sio vibaya tuseme sisi wote tunaenda campaign, tuseme tuko na numbers, mfano useme utapata tu numbers halafu twende. Mheshimiwa Spika, sio vibaya na ni lazima tuweke hiyo kipengele ndio tuangalie, hata kama mimi pia nikiwa Member wa hiyo Committee, nijue niko na motion na ninatakiwa pia niende nichangie. Tukiendelea hivyo, Mheshimiwa Spika, nafikiria hata kazi yangu itakuwa ngumu.

Mr. Speaker: Honourable Members, the Chair of the Liaison Committee is basically the Deputy Speaker of this House, and the Chairs were here. In their own meeting, which I did not attend in person, they resolved that since what we passed is not in our Standing Orders, we allow it, because we can come here and only have five members of the committee, and we refuse to proceed.

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So, Members, since it's not covered in our Standing Orders, and let me allow Hon. Johnston Ipara, because he was in that meeting.

Hon. Johnston Okasida: Thank you, Honourable Speaker. When we made this resolution, it was based on various factors.

Factor number one, most of the Honourable Members are involved in training, and even at times they are invited to other Counties, neighboring Counties, to do training with the counterpart teams in those counties.

Honourable Speaker, the Chief Whip, who is asking this, in the two consecutive meetings that we had, and in which he has the power to attend based on the position he holds, was not there. And he is a victim of several meetings that have been held in this House. He was absent without permission. I am not even exonerating the Trade Committee. I want to confirm, Honourable Speaker, being a former Chair of the Trade Committee, that they have the numbers that are required.

I wonder, as a Chief Whip, why he's questioning this. The first thing he could have done was to do a quick head count of the members who are available, Honourable Speaker. We can forgive him, with the powers you have, under Standing Order No. 1 that you can allow.

Mr. Speaker: We'll proceed, Members. Even a partial head count of the committee is nine. So that means, even if you use that quorum issue, they have the numbers. Kindly, Hon. Everline, proceed.

Hon. Everline Anyango: Thank you, Mr. Speaker, sir. Basing on what the Chief Whip has just taken the committee through, I just want to proudly let the members stand on their feet so that he can confirm, proudly. Trade Committee members, let's be standing kindly. Mr. Speaker, sir, we are proudly overflowing. Thank you.

Thank you, Mr. Speaker, sir. I will continue. And I'll start from the Membership.

1. Hon. Bernard Kikechi Chairperson
2. Hon. John Wanyama Vice Chair
3. Hon. Francis Chemion
4. Hon. Martin Chemorion
5. Hon. Polycarp Kimeta
6. Hon. Alfred Mukhanya
7. Hon. Charles Nangulu
8. Hon. Eunice Kirui

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9. Hon. Florence Juma
10. Hon. Maureen Wafula
11. Hon. Bridget Katasi
12. Hon. Angeline Rugut
13. Hon. Alice Kibaba
14. Hon. Everline Anyango
15. Hon. Allan Nyongesa

ACKNOWLEDGEMENT

The Committee is thankful to the offices of the Speaker and the Clerk of the County Assembly for the logistical support accorded to it during the execution of its mandate. I wish to express my appreciation to the Honourable Members of the Committee for their resourceful input that informed the content of this report. My sincere gratitude also goes to the members of the Secretariat for their dedication towards compiling this report.

It is therefore my pleasant duty and privilege, on behalf of this Sectoral Committee on Trade, Energy, and Industrialization to present this report on the Bungoma County Trade Development Loan Fund Quarterly Report and Financial Statement for the period ended December 31st December, 2025, along with its recommendations to the Assembly for deliberation and adoption. Signed, the Chairperson, Hon. Bernard Kikechi, MCA, Mbakalo Ward.

Introduction

Trade loans are a lifeline for micro, small, and medium enterprises, into brackets, MSMEs, empowering them to overcome financial constraints and thrive in competitive markets. These loans provide critical short-term financing that enables small businesses to manage cash flow challenges, purchase inventory, and meet supplier obligations without depleting their working capital.

For MSMEs, which often face limited access to traditional credit, trade loans can be a game changer, offering the flexibility needed to fulfill orders, expand operations, and seize growth opportunities.

By bridging financial gaps, trade loans help MSMEs build stronger supplier relationships, improve their credit worthiness, and contribute to economic growth at both local and national levels.

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Legal parameters

The trade loan fund regulations is anchored on Section 116 of the Public Finance Management Act, and the major source of funding, as specified in the regulations, are monies from the exchequer account, gifts, donations, and endowments from legal sources.

The principles of establishing the trade loan fund as per the regulations are;

- I. Offer affordable credit facilities to the micro or small medium enterprises.
- II. Capacity-build traders through training committee for the fund.

The Committees for the Fund

The fund is administered in three distinct levels which are; the fund secretariat, the Fund County committee, and the Fund Ward Committee.

a) The Fund Secretariat

It is the unit that is tasked with the day-to-day running of the fund. The secretariat is headed by the Fund Administrator and comprises of the following officers; the Fund Accountant, Finance Officer, Economist, Supply Chain Management officer, and a Legal Officer.

b) The county trade development loan funds committee.

It comprises of nine members amongst them is the Chief officer Trade, who is the chairperson, the Fund Administrator who is the secretary, Chief Officer Finance or representative, the County Attorney or a representative, and five persons appointed by the CECM Trade after a competitive and transparent recruitment process who shall hold office for a term of three years and can be renewed once.

The key functions amongst others is to ensure that money held in the scheme is spent as per the purpose for which the scheme is established, receive gifts donations, grants, or endowments made to the scheme, approve and endorse recommendations from Ward committees, and undertake periodic review of the legal framework of the fund, amongst other functions.

c) Ward trade loan committees

The committee consists of seven members as follows; The ward administrator who is the secretary of the committee, a staff of the County Government designated by the chief officer

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trade and five members representing the business community within the Ward who shall be competitively sourced.

The key functions are to review trade loan application forms, vet applicants using established criteria, and identify beneficiaries within the Ward using the guidelines provided.

Eligibility criteria

Traders are invited to apply at the ward level. The prospective applicants are required to meet the following criteria as provided for the trade loan regulations.

- i. A Kenyan Citizen based and operating the business within a Ward in Bungoma County.
- ii. Must be 18 years of age and above.
- iii. Has been in business for at least 6 months before making an application.
- iv. Be operating from a business premise or a physical location.
- v. Has a national Identity Card.
- vi. Holds a bank account with a reputable commercial Bank and
- vii. Meets all other conditions as per the Bungoma County Trade Development loan regulations, 2023.

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CHAPTER THREE

3.1. SCRUTINY OF THE COUNTY TRADE DEVELOPMENT LOAN FUND REPORT

Hon. Speaker,

3.1.1 Background and Overview of the Fund

The Bungoma County Trade Development Loans Fund was established following approval by the County Assembly during its Special Sitting held on 15th December, 2014, with the objective of promoting trade development by providing affordable credit facilities to eligible traders and entrepreneurs within the County. The Fund is financed through appropriations by the County Assembly and is intended to enhance access to credit, stimulate economic growth, create employment opportunities, and improve the livelihoods of residents through enterprise development.

In the execution of its oversight mandate, the Committee reviewed the Half-Year Financial Statements for the period ended 31st December, 2025, together with the accompanying reports and submissions presented by the Department. The review focused on assessing the Fund's financial performance, operational efficiency, legal compliance, governance arrangements, and overall sustainability. The review identified a number of administrative, financial, legal, governance, and operational matters which, if left unaddressed, may undermine the attainment of the Fund's objectives. Consequently, the Committee considered it necessary to highlight these matters and propose appropriate corrective interventions aimed at strengthening accountability, transparency, and prudent management of public resources.

3.1.2 Financial Reporting and Corporate Governance

The Half-Year Financial Statements were submitted to the County Assembly on 10th February, 2026, approximately two months after the close of the reporting period. Although the Department explained during the consultative meeting that the financial statements had been submitted to the County Treasury within the statutory timelines, timely submission to the County Assembly remains essential for effective legislative oversight. Delayed reporting limits the Assembly's ability to undertake timely scrutiny of public resources and hinders informed decision-making.

The review further established weaknesses in the approval and authentication of the financial statements. The statements lacked critical approval information, including the date of approval, while details of some signatories had been omitted. These omissions diminish the credibility and authenticity of the financial statements and raise concerns regarding compliance with established

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financial reporting procedures. Future financial statements should therefore be fully approved, properly signed, dated, and accompanied by complete details of the responsible officers before submission to oversight institutions.

In addition, several typographical, editorial, and presentation errors were noted within the financial statements. Of particular concern was the incorrect indication that the reporting period ended in December 2023 instead of December 2025. Such inconsistencies have the potential to create confusion among users of the financial statements, compromise confidence in the accuracy of the reports, and diminish the integrity of financial reporting. There is therefore need to institute comprehensive quality assurance and proofreading mechanisms before publication and submission of future financial reports.

3.1.3 Legal and Regulatory Compliance

Particular attention was accorded to the Fund's compliance with the prevailing legal and regulatory framework. During the review, it emerged that the Department had introduced a five percent (5%) administrative fee on all loans advanced to beneficiaries to cater for operational expenses and safeguard the loan portfolio against erosion arising from administrative costs. However, the imposition of the five percent administrative fee is inconsistent with the applicable Regulations and the provisions of the Public Finance Management Act.

During consultations, the Fund Administrator explained that the three percent administrative cost provided under the existing legal framework was insufficient to meet the actual operational costs of administering the Fund. While the operational challenges facing the Department were acknowledged, any variation to statutory charges should be effected through lawful amendments to the relevant legal instruments rather than through administrative action.

Further consideration was given to the legal concerns raised by the Office of the Auditor-General regarding the status of the Fund. Although Regulations governing the Fund were developed in 2023, the Auditor-General noted the absence of primary legislation formally establishing the Fund. This presents a significant governance gap capable of exposing the Fund to legal uncertainties, operational risks, and accountability challenges.

The Department informed the Committee that Cabinet approval had been sought for a two-year extension to enable the Fund to continue operating pending enactment of appropriate legislation, as advised by both the Controller of Budget and the Auditor-General. Additionally, drafting of a Microfinance Bill had commenced to replace the existing Trade Development Loan Fund framework and establish a stronger legal foundation based on best practices adopted by other county governments. This initiative was welcomed, with emphasis placed on expediting the

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legislative process.

3.1.4. Financial Performance and Sustainability of the Fund

Analysis of the Statement of Financial Performance revealed that the Fund did not receive any revenue from the Exchequer during the half-year period under review. Despite the absence of revenue inflows, the Fund incurred operational expenditure amounting to Kshs.515, 082, comprising Kshs.263, 567 in the First Quarter and Kshs.251, 515 in the Second Quarter.

The expenditure mainly related to committee allowances amounting to Kshs.353, 900, catering expenses of Kshs.159, 060, and bank charges of Kshs.2, 122. Although the Fund Manager explained that these expenditures were necessary to facilitate the work of the Trade Loan Committees, concern was expressed over the continued incurrence of operational expenses in the absence of corresponding revenue inflows. This situation raises questions regarding the Fund's long-term financial sustainability and underscores the need for enhanced financial planning and prudent expenditure management.

It was further noted that continued dependence on County allocations, coupled with minimal internally generated resources, places significant pressure on the Fund's ability to sustain its operations and effectively deliver on its mandate.

3.1.5 Operational Efficiency and Institutional Capacity

The review established that the operational effectiveness of the Fund has been significantly undermined by inadequate financial support and institutional challenges. During consultations, it emerged that the Trade Loan Committees, which play a central role in loan administration, appraisal, monitoring, and recovery, had become largely dysfunctional due to insufficient budgetary allocations.

The inability of these committees to effectively discharge their responsibilities has adversely affected loan management, delayed recovery initiatives, and weakened oversight over beneficiaries. Unless adequate financial and institutional support is provided, the Fund is likely to continue experiencing operational inefficiencies that threaten its effectiveness and sustainability.

Accordingly, emphasis was placed on strengthening institutional capacity through adequate budgetary support, enhanced staffing, continuous capacity building, and improved operational planning to enable the Fund to effectively execute its mandate.

Loan Portfolio Management and Recovery

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Examination of the Statement of Financial Position indicated that the Fund's total assets stood at Kshs.135, 300,068 as at 31st December, 2025. Of this amount, Kshs.3, 543,760 represented cash held in bank balances, while Kshs.131, 756,308 constituted outstanding loan receivables.

While the Fund has built a substantial loan portfolio over the years, serious concern was expressed regarding the recoverability of the outstanding loans particularly in light of increasing levels of non-performing loans and the Fund's operational challenges.

Loan recoveries during the reporting period amounted to only Kshs. 569,961, a figure significantly lower than the outstanding loan portfolio. This low recovery rate raises concerns regarding the effectiveness of the existing debt recovery strategies and threatens the Fund's long-term sustainability.

The Department and the Fund Management Board should therefore strengthen loan recovery mechanisms through enhanced beneficiary tracking, regular monitoring of loan accounts, enforcement of repayment obligations, and adoption of modern debt management practices. Improved recovery performance remains essential for safeguarding public resources and sustaining support to traders within the County.

Utilization of Public Resources

The review of cumulative funding allocated to the Fund since its establishment indicated that it has received a total of Kshs. 163,185,863 from the Exchequer between the Financial Years 2014/15 and 2025/26. Despite these significant public investments, the Fund continues to experience operational challenges, weak loan recovery performance, and governance deficiencies.

The level of financial support provided to the Fund would ordinarily be expected to translate into improved service delivery, stronger loan performance, and greater financial sustainability. The continued operational difficulties therefore demonstrate the need for a comprehensive review of the Fund's governance, operational framework, and resource utilization to ensure that public funds achieve the intended socio-economic impact.

Audit Findings, Internal Controls and Risk Management

Careful consideration was given to the findings raised by the Office of the Auditor-General following submission of the Fund's First Quarter Financial Statements. Key issues identified included the legality of the Fund, uncertainty regarding its going concern status, persistent non-performing loans, weak budgetary control, unsupported receivable balances due to lack of delinquency and ageing analysis, inadequate internal controls, and recurring unresolved audit

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issues.

Particular concern arose from the Auditor-General's conclusion that the Fund faces material uncertainty regarding its continued operation due to poor loan performance and weak recovery rates. Such uncertainty threatens both the Fund's financial viability and its ability to continue fulfilling its intended mandate.

The review also established that an effective information technology system to support loan administration and strengthen internal controls is yet to be fully operational. Without a functional Loan Management System, the Department faces significant challenges in tracking beneficiaries, monitoring loan performance, generating reliable reports, and managing loan records.

The Department was therefore directed to prepare and submit a comprehensive report detailing the corrective measures undertaken to address each of the audit findings and to establish mechanisms for preventing recurrence of similar issues in future financial years.

Information Technology and Loan Management System

Delayed operationalization of the Loan Management System was identified as one of the major impediments to effective Fund management. The Committee was informed that the Department had been unable to complete the planned data validation exercise due to lack of budgetary allocation to settle outstanding payments owed to the system vendor.

Although the Department had proposed an allocation of Kshs. 1.5 million towards partial settlement of the outstanding amount, the proposed funding was not realized, thereby delaying implementation of the system and limiting its operational effectiveness.

The absence of a fully functional Loan Management System significantly weakens loan administration, compromises data integrity, limits effective monitoring of loan performance, and exposes the Fund to increased operational risks. Priority should therefore be accorded to settlement of the outstanding obligations to facilitate full operationalization of the system and strengthen financial management, reporting, and internal controls.

3.1.9 Loan Default

The Fund experienced a high loan default rate during the year under review, largely due to the prevailing economic hardships. This situation was further exacerbated by challenges associated with the Loan Management System, as well as widespread perceptions that the loans were grants and therefore did not require repayment, leading to reduced compliance among beneficiaries.

The defaulted loans for the initial loans disbursed in 2014 were due to poor loan vetting

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processes and appraisal, lack of training for the vetting committee and beneficiaries, poor record keeping making identification of loan defaulters very difficult and closure of businesses due to the Covid pandemic as well as closure of the largest mill within the County. The department however, highlighted that it is working hard recover the loans through constant follow up of defaulters.

Conclusion

Having considered the financial statements, audit findings, and submissions made by the Department, the Committee concluded that while the Bungoma County Trade Development Loans Fund remains an important instrument for promoting economic empowerment and supporting small-scale traders, its effectiveness continues to be constrained by legal uncertainties, governance weaknesses, poor financial reporting practices, inadequate operational funding, weak loan recovery mechanisms, and insufficient internal control systems.

The Committee therefore found that significant reforms are required to restore the Fund's financial sustainability, improve accountability, strengthen governance structures, enhance operational efficiency, and ensure compliance with the Public Finance Management framework. The Committee further observed that the successful enactment of the proposed Microfinance Bill, coupled with strengthened loan recovery strategies, improved financial reporting, enhanced budgetary support, and operationalization of the Loan Management System, will be critical in positioning the Fund to effectively achieve its intended objectives while safeguarding public resources.

CHAPTER FOUR

OBSERVATIONS AND RECOMMENDATIONS

Committee Observations

Following the consideration of the report from the department of Trade Energy and Industrialization and further interrogation, the committee observed as follows;

1. **THAT** the Fund's Half-Year Financial Statements were submitted to the County Assembly by the County Treasury on 10th February, 2026, which was outside the statutory timeline prescribed for the submission of financial statements. The Committee

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observed that delayed submission undermines timely legislative oversight and may affect compliance with the provisions of the Public Finance Management framework governing financial reporting.

2. **THAT** the Fund is currently operating without an enabling primary legislation to anchor the existing Regulations. The Department informed the Committee that a Microfinance Bill is under development and is intended to provide the requisite legal framework for the establishment, management, and administration of the Fund. The Committee observed that the absence of primary legislation presents legal and operational risks that may impede the effective implementation of the Fund's mandate and compromise its long-term sustainability.
3. **THAT** the planned data validation exercise had not been undertaken despite an allocation of Kshs. 1,500,000 having been provided for that purpose in the approved Financial Year 2025/2026 Budget. The Committee was informed that the said funds were reallocated during the supplementary budget process, resulting in the postponement of the exercise. The Committee observed that the continued absence of data validation adversely affects the accuracy, reliability, and integrity of the Fund's records and beneficiary database.
4. **THAT** the system vendor responsible for the implementation and maintenance of the Fund's Loan Management System has not been paid for services rendered. Consequently, the Department has been unable to access critical information and reports generated by the system that are necessary for the effective administration, monitoring, and management of the Fund. This has adversely affected operational efficiency, loan administration, monitoring, and recovery processes. The Committee further noted that an allocation of Kshs. 4,000,000 had been provided under the FY 2026/2027 Budget Estimates to enable the Department to settle the outstanding amount due to the vendor.
5. **THAT** the Bungoma County Trade Development Loans Fund has experienced persistently high loan default rates since its inception. This has significantly affected the Fund's sustainability, revolving capacity, and ability to extend credit to new beneficiaries. The Department attributed the poor loan repayment performance to prevailing economic challenges, weak loan recovery mechanisms, inadequate borrower data management, and the misconception among some beneficiaries that the loans constitute grants and are therefore not repayable.
6. **THAT** the Half-Year Financial Statements had neither been dated nor fully executed by the relevant signatories before their submission. The omission of approval dates and

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complete signatory details compromises the authenticity, credibility, and accountability of the financial statements and does not conform to established financial reporting requirements.

7. **THAT** both the Ward Trade Loan Committees and the County Trade Loan Committee have become largely dysfunctional owing to inadequate budgetary allocations. Consequently, the Committees have been unable to effectively discharge their statutory mandates, including loan appraisal, beneficiary monitoring, loan recovery, and oversight functions. The Committee observed that this has adversely affected the overall governance, administration, performance, and sustainability of the Fund.

Committee Recommendations.

The Committee made the following recommendations;

1. **THAT**, the Department in liaison with the County Treasury should strictly adhere to the timelines prescribed under the Public Finance Management Act, 2012 and the Public Finance Management (County Governments) Regulations by ensuring that Financial Statements are submitted to the County Assembly within the stipulated timelines.
2. **THAT**, the Department should expedite the processing of the proposed Microfinance Bill and submit the same to the County Assembly within sixty (60) days from the approval of this Report.
3. **THAT**, the Department should utilize the Kshs. 4 million allocated in the 2026/2027 Financial Year towards settlement of outstanding obligations to the system vendor, to aid in completion of the data validation exercise, and implementation of enhanced loan recovery interventions.
4. **THAT**, the Department and the Fund Management Committee should, within three (3) months, develop and implement a comprehensive loan recovery strategy aimed at reducing the high loan default rates and enhancing the sustainability of the Bungoma County Trade Loan Development Fund. Further, the Department should submit a status report to the County Assembly detailing the progress made in loan recovery and the

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measures undertaken to improve the Fund's revolving capacity within sixty (60) days from the adoption of this report.

5. **THAT**, the Department should make budgetary provisions in the subsequent budget to facilitate the effective operationalization of the Ward Trade Loan Committees and the County Trade Loan Committee, particularly in the execution of loan recovery, monitoring and oversight functions. This will strengthen the Fund's governance structures, enhance loan recovery efforts and improve the overall sustainability and performance of the Fund.
6. **THAT**, the Department considers allocating adequate resources in the subsequent budget to facilitate the operations of the Ward and County Trade Loan Committees, with a view to enhancing the recovery of outstanding loans.
7. **THAT**, the Fund Administrator ensures that all financial statements and reports are duly signed and dated before their submission to the relevant authorities, in compliance with applicable financial reporting and accountability requirements.

I have come to the end of the report and we have the adoption report thereafter signed by all the members. Before I leave this floor, I call upon my vice chair to second the motion.

(Applause)

Mr. Speaker: Hon. Ken Wanyama, you have the honor of seconding the committee report. Please Proceed!

Hon. John Kennedy Wanyama: Thank you Hon. Speaker. I rise to second a report for Bungoma County Trade Development Fund Quarterly reports and Financial Statements for the period ended 31st December, 2025.

This Trade Development Loan Scheme was established as a revolving fund with an initial capital of 100,000,000. As at the end of the period under review that is 31st December, 2025, total outstanding loan was Ksh.131, 756,308. The amount of cash held in the bank was Ksh.3, 543,760 and loan recoveries amounted to Kshs 569,961 in the period under review.

Several issues have been highlighted in the report that has been moved eloquently by Hon. Anyango. I will dwell on two issues which if addressed will pave way for a smooth administration of this fund.

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The first challenge is that we do not have a legal framework to anchor the existing regulations and this has been a challenge because it actually puts public resources at risk and creates recovery challenges and other administrative issues. The department has been in the process of developing a Microfinance Bill which is meant to provide the required legal framework and as we have directed them, they should expedite this exercise and submit it to this County Assembly within 60 days after adoption of this report.

The second challenge is the issue of data validation. As much as the books show that there is an outstanding amount of 131,000,000 as aforementioned, the department is not even able to tell us how much of this amount is collectable and this is for a simple reason that they have not carried out the important exercise of data validation despite the committee pushing and allocating money towards this exercise.

We are urging the department to move fast and ensure that they carry out this important exercise of data validation so that we can be able to know how much money out of this outstanding is collectable. It's obvious some of these borrowers could even be dead and unless we do a thorough data validation then we will not be able to know how much of this amount is collectable. It's also important to do this exercise so that those amounts that are not collectable can be written off to maintain clean books of accounts. I second.

(Applause)

Mr. Speaker: Thank you Hon. Ken Wanyama for seconding the committee report. Honorable members, allow me be able to proceed now and propose a question for debate;

(Question proposed)

Hon. Ipara!

Hon. Johnston Ipara: Thank you, Hon. Speaker. Let me laud the mover of the report and, particularly, the seconder of this particular report for giving details on where we had some worries.

On the legal status of the fund, he has already talked about it. It is incomplete, and the worry that we should now have as legislators is: how do we continue disbursing money to an organization with an incomplete legal status? The worrying part is where they are talking of 5%.

In the legal framework, it provided for 3% administration, but the Executive decided to come up with 5%, which means there is an increase of 2%. The question is: where did they get the 2%, and how do they justify that?

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The worrying part is where the seconder of the report said there was very low loan recovery. In the period in question, the money that was recovered was only 569,961, but it worries me more, particularly where they come and say they had an operational expenditure of 515,082, almost equivalent to the money recovered. So, this beats logic, whether it was intentional or by coincidence.

The one area that we need to put a lot of emphasis on is the education of the loanees because they believe that the money is a grant, whereas, according to the legal framework, it is a loan that they are supposed to repay continuously until it is fully recovered. That is not done.

On the data, he has talked very well, and I am happy about it. The other worrying area is where we have two committees: the Ward Committee and the County Committee. These particular committees are not facilitated. How do you expect them to follow up and recover the money that was given as a loan if you don't facilitate them? This is an area that we need to address with open eyes.

The worst part is where the mover of the report was talking about financial statements being submitted late. They are supposed to be reminded that we are supposed to operate within the legal framework, and when you choose to operate outside the legal framework, it means that you are contravening the law.

I have said what I had. I support this report to be adopted and approved.

(Applause)

Mr. Speaker: Yes, Hon. Opwora.

Hon. Edwin Opwora: Thank you Hon. Speaker for giving me this opportunity. I want to first of all thank the mover of the motion and the seconder. I was listening keenly especially the seconder Hon. Kennedy Wanyama about the loan recoveries and its absurd to know that we have quite a number of unrecovered loans and more so the department cannot sufficiently provide data of even the people who took loans.

It is common knowledge that governments are actually not business entities and it will be very difficult if we continue to give loans as Government and expect 100% refund because people expect Government to support them. I was therefore expecting a recommendation that in future we should find away.

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If we are going to give these monies as loans then we have to work with the financial institutions which have a tradition of giving loans and ensuring that recovery is done 100% otherwise if it's a Government then let us go the way of giving it as grants because I have seen some private international institutions that provide cheap loans to farmers but they either use banks or Saccos because these institutions already have data and whoever is coming to pick the loan has to register with them adequately.

Right now, we are not sure that even the County or the department have trained staff to do loan recoveries. I believe this is a very key issue that the committee should look into to see whether the people who are doing loan recoveries are fully trained to do that work. I support this motion but I would request that the department looks keenly on the aspects of the loan recoveries and how best can these monies be distributed to people in future.

Mr. Speaker: Thank you. Allow me to invite the mover of the motion to reply accordingly because we have heard speakers. It has to be replied to. Hon. Everline, Proceed!

Hon. Everline Anyango: Thank you Hon. Speaker. I want to applaud the Honorable members who have contributed on the motion. First of all I want to thank Hon. Okasida Ipara for taking keen note when I was reading and you have raised an issue on the 5% administration cost that was raised from 3%- 5% that is an additional 2%. In the report, the committee was clear and we have reprimanded the department on that.

We have also asked concerning the delay in submitting Financial Statements to the Assembly for scrutiny. The committee was very clear on that and next time I know the department will be keen when submitting the documents.

Thank you Hon. Opwora, you have talked about the department having a joint financial operation with a financial institution. This has come at the right time because when our Governor went to the senate, the issue of amalgamation of all these funds was advised by the senate but when we interrogated the department, they said that they are only waiting for the right procedure to be followed for amalgamation and then they will be inviting financial institutions to take over the loaning issue so that it does not appear to the common Mwananchi or to the traders out there that this one is just a free fund that you can just be given because of politics. Thank you. I submit.

(Applause)

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Mr. Speaker: Thank you Hon. Everline for the response. The motion has been moved and debated accordingly. Members allow me be able to proceed and put a question to the motion as proposed and seconded;

(Question put and agreed to)

The report, its observations and recommendations is hereby adopted by the House.

ADJOURNMENT

Indication from the Clerks-At-the-Table that was our last item as a motion on our Order Paper, we will adjourn our sitting and resume on 6th October, 2026 9:30 a.m. session.

The House adjourns at 4:37 p.m.

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