

COUNTY ASSEMBLY OF BUNGOMA

COUNTY ASSEMBLY DEBATES

DAILY

HANSARD

TUESDAY 15TH FEBRUARY, 2022

Afternoon Sitting

COUNTY ASSEMBLY OF BUNGOMA

HANSARD OFFICIAL REPORT

TUESDAY 15TH FEBRUARY, 2022

The House met at 2:30 p.m.

(Mr. Temporary Speaker [Hon. Humphrey Sifuna] in the Chair)

PRAYER

PAPERS

The following Paper was laid on the Table of the County Assembly:

Report by the Sectorial Committee on Education and Vocational Training on the Bungoma County first quarter financial statement for the period ended 30th September, 2021 laid by Hon. Fredrick Musebe (*Chairperson*).

NOTICE OF MOTION

The following Notice of Motion was issued:

That this House adopts the report on Sectorial Committee on Education and Vocational Training on the Bungoma County first quarter financial statements for year ended 30th September, 2021 in respect to the Department of Education and Vocational Training issued by Hon. Fredrick Musebe (*Chairperson*).

STATEMENTS

TENTATIVE WEEKLY PROGRAM COMMENCING TUESDAY 15TH TO 17TH THURSDAY, FEBRUARY 2022

Hon: Sospeter Nyongesa (Member, HBC): Thank you, Mr. Temporary Speaker. This is the tentative weekly program of the business of the county assembly pursuant to Standing Order number 36. This week commencing Tuesday 15th to 17th Thursday, February 2022.

Mr. Speaker Sir, today being 15th of February, 2022 we have the business as you have seen, under motions and bills.

That, this House adopts the report by Sectorial Committee on Finance and Economic Planning on the fact finding exercise on the status of local revenue collection in Bungoma County Government for the period ended 31st December, 2021.

Tomorrow, Wednesday 16th, at 9:30 AM, we shall have business as follows;

1. Administration of Oath
2. Communication from the Chair
- 3 Messages
4. Petitions and
5. Papers.

Under Papers, we shall have:

1. The Bungoma County Government ICT Policy of 2022.
2. The Report by the Sectorial committee on Agriculture Livestock, Fisheries, Irrigation and Cooperative Development on the Bungoma County first quarter financial statements ended 30th September, 2021 in respect to the department of Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development.
6. Notices of Motion

We shall have that this house adopts the report by Sectorial Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development on the Bungoma County first quarter financial statement ended 30th September, 2021, in respect to the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development.

7. Statements.
8. Motion

That, this house adopts the report by Sectorial Committee on Education and Vocational Training on the Bungoma County first quarter financial statement ended 30th September, 2021 in respect to the Department of Education and Vocational Training.

On Wednesday 16th February at 2:30 PM, We shall have;

1. Administration of Oath
2. Communication from the Chair
3. Messages
4. Petitions
5. Papers

We shall have a report by Sectorial Committee on Youth and Sports on the Bungoma County first quarter financial statements ended 30th September, 2021 in respect to the department of Youth and Sports.

6. Notices of Motion

That, this House adopts the report by Sectorial committee on Youth and Sports on Bungoma County first quarter financial statements ended 30th September, 2021 in respect to the Department of Youth and Sports.

7. Statements

8. Motions

That this House adopts the report by Sectorial Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development on the Bungoma County first quarter financial statements ended 30th September, 2021 in respect to the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development.

Thursday 17th, 2:30 PM, we shall have;

1. Administration of Oath

2. Communication from the Chair

3 Messages

4. Petitions

5. Papers

- i) We shall have a report by the Sectorial Committee on Housing and Sanitation on the Bungoma County first quarter financial statement ended 30th September, 2021, in respect to the Department of Housing and Sanitation.
- ii) Report by the Sectorial Committee on Public Administration and ICT on the response to the statement on the status of automobiles, this are movable assets in the county executive since 2013.

6. Notices of Motion

- i) That the House adopts the report by Sectorial Committee on Housing and Sanitation on the Bungoma County first quarter financial statement ended 30th September, 2021 in respect to the Department of Housing and Sanitation.
- ii) That the House adopts the report by the Sectorial Committee on Public Administration and ICT on the response to the statement on the status of automobiles in the County Executive since 2013.

7. Statements

8. Motions

That this House adopts the report by Sectorial Committee on Youth and Sports on the Bungoma County first quarter financial statement ended 30th September, 2021 in respect to the Department of Youth and Sports.

Thank you, Mr. Speaker. This is the weekly programme commencing today Tuesday 15th to 17th Thursday, February 2022.

Mr. Temporary Speaker: Thank you, Hon. Sospeter. Honorable members that is a tentative programme for the week and is now tabled

MOTIONS

REPORT BY FINANCE AND ECONOMIC PLANNING ON THE FACT FINDING EXERCISE ON LOCAL REVENUE COLLECTION IN BUNGOMA COUNTY GOVERNMENT FOR THE PERIOD ENDED 31ST DECEMBER, 2021

Hon. Bethwel Mwambu (Member, Finance): Thank you, Honorable Speaker and my colleagues in the House. I stand in on behalf of the chair for Finance and Economic Planning Honorable Speaker to bring forth the following report.

The Finance and Economic Planning Committee report on the fact finding exercise on the status of local revenue collection in Bungoma County Government for the period ending 31st December, 2021.

Mr. Speaker, you will permit me not to look at the mandate of the committee but let me just read the preamble.

Mr. Speaker Sir, it is my pleasure and pleasant duty to present Finance and Economic Planning Committee report on the fact finding exercise on status of revenue collection in Bungoma County Government as at 31st of December, 2021.

1.3 Acknowledgment

Mr. Speaker Sir, I take this opportunity to thank all the members of the committee for dedicating their time by carryout a fact finding exercise on the status of revenue collection in Bungoma County as at 31st December 2021. The committee would also like to appreciate to the members of staff who worked with us for their commitment. Further, we are grateful to the Department of Finance and Economic Planning for the information and documents submitted that aided in the compiling of this report.

Lastly, the committee is grateful to the Hon. Speaker, and the Office of the Clerk of the County Assembly of Bungoma for the support received as it discharged its mandate. The report is dully signed by the chairperson of the committee.

1.4 Justification for the fact finding visit

Mr. Speaker Sir, it is envisaged in Article 185(3) of the constitution of Kenya, 2010 that a County Assembly while respecting the principle of separation of powers may exercise oversight over County Executive Committee and any other Executive organs. The Committee on Finance and Economic Planning in exercising its mandate of studying, accessing and analyzing the relative success of the department as measured by the results obtained and compared with their stated objectives, the committee carried out a fact finding visit to various major markets across Bungoma County to ascertain the status of the market and whether the set target of local revenue in this financial year, 2021/2022 will be achieved.

1.5 Methodology

The committee's work was guided by the terms of reference and the following general methodologies were used;

- 1) **Preparatory meetings:** Prior to the exercise, the Committee held several preparatory meetings during which the plan was drawn and the Department of Finance and Economic planning notified.
- 2) **Direct observation:** Part of the learning was realized through direct observation during the visit and interviewed the director revenue and all the sub county revenue officers.
- 3) **Recording of information:** This was done using recorders and the information has been maintained for referencing.

1.6 Scope of the fact finding exercise

The committee identified some of the major markets in every sub county in Bungoma County and visited the markets between 29th of November to 3rd of December 2021. Below is the list of markets that the committee visited in each sub county; Mr. Speaker and honourable members have the report and therefore no need to go through the markets.

CHAPTER TWO

2.0 KEY HIGHLIGHTS ON THE STATUS OF LOCAL REVENUE IN BUNGOMA COUNTY GOVERNMENT

2.1 Local revenue Collection.

Mr. Speaker Sir, a total Ksh.123, 443,890 was collected from local sources across the County for the first half of financial year 2021/22; a notable decline of 16 percent compared to similar period in financial year 2020/21 where Ksh.147, 270,818 was reported.

A report on sub-county performance is as below: members can make reference.

A comprehensive performance .report per Sub-county is shown in the table below; members can also make reference to the table as indicated.

2.2 Market Performance Report

Mr. Speaker Sir, the market fees from key County markets contributed 9.1 percent to total local revenue for the first half of 2021/22. Below is the highlight on the collections of some of the major markets in Bungoma County for the first half of the financial years 2020/21 and 2021/2022; members can refer to the table.

2.3 Stakeholder Engagements

Mr. Speaker Sir, the department regularly engages key stakeholders with a view of facilitating seamless revenue collection and management.

a) Finance Bill, 2021 Stakeholder Participation

The department engaged several stakeholders in the preparation of the County Finance Bill, 2021, a legal document providing for revision of various taxes, fees and charges and other revenue raising measures. These stakeholders included:

- County Budget and Economic Forum (CBEF)
- Chamber of Commerce
- Representatives from the Civil Society, Marginalized groups and the Media
- CESS Committee
- Other members of the public

The engagements culminated into enactment of the County Finance Act, 2021 now in place.

b) Cashless market fee sensitization

To foster adoption of cashless mode of payment for market fees, the department undertook trainings for market officials, Revenue Collectors and other members of the Business community between September and October, 2021. The markets targeted included:

Sub-county	Market
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Kanduyi	Town Market (Chepkube)
	Mayanja Market
	Bukembe Market
	Dorofu Market
Kimilili	Kimilili Market
	Kamukuywa Market
Webuye East	Webuye Town Market
	Misikhu Market
	Lugulu Market
Webuye West	Webuye Town Market
Kabuchai	Chwele Market
Mt. Elgon	Cheptais Market
	Kaptama Market
	Kapsokwony Market
Sirisia	Malakisi Market
Tongaren	Naitiri Market
	Brigadier Market
Bumula	Myanga Market
	Mayanja Kibuke Market
	Bumula Market

c) County CESS Committee

The CESS Committee is established under the Agricultural Produce CESS Act, 2017 with a mandate of enhancing CESS collection, planning and implementation of agricultural CESS programmes.

The department held a meeting with the committee in December, 2021 to review the status of CESS collection for the first half of financial year 2021/22 and fast track enactment of the Agricultural Produce CESS (Fund) Regulations, 2021.

2.4 Automation and Revenue Collection

Mr. Speaker Sir, the County Government has made efforts to fully automate revenue collection processes with the main objective being the enhancement of Own-Source Revenue (OSR). Currently Revenue department has focused on adoption of cashless payment mode, increased payment options, and reducing unstructured revenues.

The initiatives above are aimed at making payments for government services fast, easy and convenient, reduce risks associated with cash handling and minimize errors associated with manual processes.

2.5 Previous revenue Target

Mr. Speaker Sir, a local revenue collection of Kshs. 395,118,238 was reported for the financial year 2020/21, indicating that 79 percent of the annual target of Kshs. 500,000,000 was achieved. This was an improvement from financial year 2019/20 where 62 percent was achieved against a similar target as indicated below;

The target for local revenue for FY 2021/22 is Kshs.500, 000,000 which is similar to the target of for FY 2020/21.

2.5 Challenges the Department faces in Local Revenue Collection

Mr. Speaker Sir, The department has faced the following challenges in revenue collection:

- i. There is unprecedented resistance to pay taxes from the citizens obligated to pay. The major sectors affected are town service vehicles and bodaboda who claim that the dual carriage road is still under construction and not in good shape hence a lot of wear and tear experienced by the motorists. Most of the town service vehicles ply between Bungoma town and Kanduyi.
- ii. Political interference and incitement against the tax payers is evident. This starts with non-compliance by the political class in regard to payment of property rates, parking fees, single business permits, liquor licenses and stall rent.
- iii. The Covid-19 containment measures affected collection from PSV stickers and Liquor license fees as a result of reduced business hours caused by the just ended night curfews.
- iv. The market support infrastructure is still in bad state. These include the auction rings (Chwele, Kimilili, Kamukuywa, Misikhu, Webuye and Mbakalo), sanitation facilities, slaughter houses (Bungoma, Webuye and Kimilili) The county staff houses where the department collects rent are in deplorable condition.
- v. Motivation programs for revenue collectors with starling performance have not been possible. Re-imburement of transport to revenue collectors and supervisors traversing across large geographical locations collecting trade licenses, plan approval fees, market fees and liquor licenses have been limited by the budget constraints. There is need to allocate funds to motivate revenue collectors.
- vi. The department has eight six (86) revenue casuals who have not received a salary for the last thirty-five (35) months. They however still collect revenue. Funds to clear arrears and pay them a salary until 30th June, 2022 were allocated in the current FY. The matter is still unconcluded by the County Public Service Board.

CHAPTER THREE

3.0 OBSERVATION AND RECOMMENDATIONS

3.1 Committee Observations

Mr. Speaker Sir, the committee made the following observations.

1. That the market entry fees module has been developed and re-structured. It is now possible to register all market traders which allow them to generate bills and pay through m-pesa. This new module is meant to reduce cash handling amongst tax payers and revenue collectors. The department can now track market fee defaulters. The Finance Act 2021 requires all payments of market fees to be cashless while exempting low value traders with no structures.
2. That the department continues to implement flexible payment plans for property rates owners. Defaulters with huge balances can agree and enter into a twelve-month payment plan. This strategy has enabled improved performance of property rates.
3. More aggressive measures are underway to get all defaulters of property rates to comply. The department has forwarded a list of defaulters for legal action by the County.
4. The department had started arresting and arraigning defaulters of trade licenses in court which was halted after public outcry and incitement.
5. Mobility of revenue supervisors and collectors had been hampered by inadequate number of revenue vehicles. In the FY 2021/22 budget, the department allocated funds to carry out major services for the vehicles in revenue.
6. The department had proposed new revenue streams in the Finance Act, 2021. Upon deliberation by the cabinet, the proposals were deferred.
7. The department of Finance and Economic Planning is pursuing the responsible departments to fast track the long pending revenue support legislation.

Part of legislation required by the executive are as follows;

No.	Legislation	Ministry/Department
1.	County Valuation Roll	Lands, Urban/Physical Planning & Housing
2.	Construction and Development Control Bill	Lands, Urban/Physical Planning & Housing
3.	County Inspectorate and Enforcement Bill	Public Administration
4.	Public Entertainment and Amenities Bill	Gender
5.	County Physical Planning Bill	Lands, Urban/Physical Planning & Housing
6.	Outdoor Advertisement and Signage Bill	Lands, Urban/Physical Planning & Housing

7.	Animal Control and Welfare Bill	Livestock and Veterinary Services
8.	County Rating Bill	Lands, Urban/Physical Planning & Housing
9.	Public Health and Sanitation Bill	Public Health

3.2 Committee Recommendations

Mr. Speaker Sir, the following recommendations were made by the committee:

1. The directorate of revenue to strictly adhere to the Finance Act 2021 that requires all payments of market fees to be cashless to reduce revenue loss caused by rowdy revenue collectors.
2. That the directorate of revenue to implement all revenue streams as provided for in the Finance Act 2021 and other existing revenue raising legislation passed by the County Assembly.
3. The Chief Officer - Economic Development is hereby directed to submit to the committee on Finance and Economic Planning list of all defaulters of property rates stating any legal action taken against them within 14 days after the adoption of this report.
4. The department to fast track collection of property rates by agreeing on flexible repayment plans with the property owners to maximize on the revenue collection throughout the county.
5. The Department of Finance and Economic Planning to allocate enough vehicles for the mobility of revenue supervisors and collectors within the county.
6. The relevant departments as identified above to fast track the development of several legislations that support revenue collection within the County and submit to the County Assembly within 60 days after the adoption of this report.
7. The Department of Finance and Economic Planning is hereby directed to liaise with the department of Lands and Physical Planning, establish and submit valuation role to the County Assembly within 30days from the adoption of this report.
8. The Department of Public Administration is hereby directed to put in a mechanism to purchase and or repair all the vehicles with simple mechanical problems and allocate two vehicles for each sub county for revenue enhancement or collection.
9. The Department of Finance and Economic Planning is hereby directed to develop a program to motivate best revenue collectors in the County.
10. The Department of Finance and Economic Planning is hereby directed to train all revenue collectors and enforcement officers on customer care services to enable them improve on handling tax payers.

The membership of this committee has done its best by signing on the report justifying their contribution.

I now ask the hardworking...

(Applause)

Hon. Vitalis Wangila: Thank you, Mr. Speaker. First of all, allow me appreciate my able member of this Committee on Finance. Today, I am convinced without doubt that our Honourable member who is a member is fit for the position of Member of Parliament

(Applause)

The way he has taken us through this particular document and as he is exiting, I hope I am following those footsteps. Next House if God wishes, I will be the second Mwambu as I will be preparing also for another step.

I second the motion.

(Applause)

Mr. Temporary Speaker: Thank you, Honourable members. A motion having been moved and ably seconded, I now propose a question that this House adopts.

Honourable members, in the absence of any contributor, I will now put a question that a motion having been moved, seconded and debated upon, I now put a question that the report and its recommendations be adopted.

(Question put and agreed to)

The Ayes have it!

That is the end of business on our Order Paper. We resume tomorrow at 9:30 in the morning. Thank you Honourable members. We adjourn!

(House Adjourns)