

COUNTY GOVERNMENT OF BUNGOMA

COUNTY ASSEMBLY OF BUNGOMA

COUNTY ASSEMBLY DEBATES

THE DAILY HANSARD

WEDNESDAY 15TH FEBRUARY, 2023

Morning Sitting

COUNTY ASSEMBLY OF BUNGOMA
HANSARD OFFICIAL REPORT
WEDNESDAY 15TH FEBRUARY, 2022

The House met at 9:30 a.m.

(**Mr. Speaker** [Hon. Benjamin Otsiulah] in the Chair)

PRAYER

PETITIONS

**PETITION BY EMONYO YEFWE INTERNATIONAL ON DENIAL OF RIGHTS TO
HEALTH SERVICES TO JOHN KIN WANJALA AND HIS SUBSEQUENT DEATH
AT WEBUYE COUNTY HOSPITAL**

Honourable members, a petition that has been processed is tabled by the chair of the committee. It is already processed; it can't be tabled by the majority leader. If he is a member then there's no problem. If he is not a member he cannot. The chair and other members in this House can. Yes honourable, there is no problem. Any member of the committee can give us feedback.

Hon. George Makari: But Honourable Speaker, I didn't know the chair is around.

Mr. Speaker: If the chair is around then we go back to Hon. Metrine then proceed.

Hon. Metrine Wilson: Thank you, Mr. Speaker Sir for according me this chance to table the first report, Committee of Justice, Cohesion and Legal Affairs on petition by Emony Yefwe International on denial of rights to health services to John Kin Wanjala and his subsequent death at Webuye County Hospital.

Mr. Speaker: Honourable members, I think you need to assist our sister here, and I think the problem squarely lies in the Secretariat, not the honourable member. When you bring back a report of the petition, you only give us the highlights and recommendations, nothing else.

Hon. Metrine Wilson: The highlights are the cover page...

Mr. Speaker: Any other member of the committee? Member, what happens with a petition is that you just give us a highlight of the recommendations for onward transmission to the consumer. A petition is not a report of the committee *per se* to be read here and be moved as a motion. So you go to the recommendations, you read the recommendations for us and observations.

Hon. Metrine Wilson: Mr. Speaker Sir, I wish to sincerely thank...

Mr. Speaker: Be loud enough, be on HANSARD.

Hon. Metrine Wilson: Mr. Speaker Sir, I wish to sincerely thank committee members and the secretariat for their hard work, patience and commitment despite their busy programmes. The Committee further thanks, the Office of the Speaker and the Clerk of the County Assembly for their support that enabled members to execute their mandate.

The committee appreciates the petitioner, parents to the deceased, medical superintendent Bokoli and medical superintendent Webuye for furnishing the committee with the required information in this petition. It is my honour to present this report on behalf of the members of the committee.

Petition received from Emony Yefwe International on the denial of right to health services to John Kin Wanjala and his subsequent death at Webuye County Hospital with recommendations to the assembly and subsequent adoption pursuant to Standing Order 225(2). The Committee mandates...

Mr. Speaker: Give us the recommendations of the report.

Hon. Metrine Wilson: Recommendations from the committee;

- Increase the number of hospital staffs and machinery to enhance service delivery in the hospital so that cases can be handled in one facility without having to transfer the patients.
- The hospital should have computerized system of record keeping that facilitates easier storage and access when needed.

- The hospital management to ensure that there is efficient communication with their clients on the update of patient's progress and ensure access and availability of treatment and referral records used for communication.
- There should be clear standard operating procedures on referrals and use of ambulance services which should be shared with the patients' caregivers should such cases arise so that the health of the patient is given priority.
- There is no criminal element as per the committee's investigation, however, the petitioner can use their court to seek other redress
- The sectoral Committee on Health to inquire further and report on poor leadership, understaffing, denial of availability, accessibility, acceptability and quality of service delivery in the hospitals.

Thank you, Mr. Speaker, as I submit.

Mr. Speaker: Thank you honourable Chair of the committee. Members, in compliance with Standing Order 228, we won't be allowing comments and observations, we'll just go straight to Standing Order 229 where the Clerk will forward the same to the consumers of this petition for their consumption.

Equally, chairs who are here, you are put on notice; we won't allow these shortcuts of coming late for your own petitions. If it is a committee having a report, all members must be here and must be prepared. I'm very sure every committee went out in the name of induction for training, so going forward for all reports pending; you must be prepared for that task as the chair, vice chair or members of that committee.

PAPERS

REPORT BY THE HOUSE BUSINESS COMMITTEE ON AFFAIRS OF THE COUNTY ASSEMBLY DURING THE FIRST SESSION OF THE THIRD COUNTY ASSEMBLY

Hon. Joseph Nyongesa: Thank you, Mr. Speaker. Allow me to table the report by the House Business Committee on the affairs of the County Assembly during the first session of the Third Assembly.

Mr. Speaker: Honourable members, the report by the House Business Committee on the affairs of the County Assembly during the first session of the third County Assembly 2022 is now tabled and it forms a part of the house records

**THE POLICY STATEMENT ON ENHANCING OWN SOURCE REVENUE BY THE
COUNTY GOVERNMENT OF BUNGOMA**

Hon. Joseph Nyongesa: Thank you Mr. Speaker. Allow me also table the policy statement on the enhancing of our own revenue in Bungoma County.

Mr. Speaker: Honourable members, the policy statement on enhancing own source revenue by the County government of Bungoma is now tabled; I commit the same to the Committee on Finance and Economic Planning for processing and reporting back to the House accordingly.

NOTICES OF MOTION

REPORT BY THE HOUSE BUSINESS COMMITTEE ON AFFAIRS OF THE COUNTY
ASSEMBLY DURING THE FIRST SESSION OF THE THIRD COUNTY ASSEMBLY
2022

Hon. Joseph Nyongesa: Mr. Speaker, allow me give a notice that this House adopts the report by the House Business Committee on the affairs of the County Assembly during the first session of the Third County Assembly 2022.

Mr. Speaker: Honourable members, a notice having been duly issued. I will ask the table clerks to circulate this report to the members, because it is going to form business on our Order Paper in our 2:30 p.m. session as a motion for debate and for consideration by the House accordingly.

MOTION

REPORT BY THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE
BUNGOMA COUNTY BUDGET REVIEW OUTLOOK PAPER FINANCIAL YEAR
2022/2023

Mr. Speaker: Hon. Nangulu, the Vice chairman Budget and Appropriation Committee.

Hon. Charles Nangulu: Thank you, Honourable Speaker. I'm here to present the report of the Budget and Appropriations Committee on Bungoma County Budget Review and Outlook Paper for financial year 2022/2023.

On behalf of the members of the Budget and Appropriations Committee and pursuant to Section 118 (3) (a) of Public Finance Management Act 2012 and the Standing Order No. 210 of the County Assembly of Bungoma Standing Orders, I hereby present to this House the Committee's Report on the Bungoma County Budget Review and Outlook Paper for the FY 2022/2023 which was tabled on 21st October and committed to Budget and Appropriations Committee for processing.

BACKGROUND

On behalf of the members of the Budget and Appropriations Committee and pursuant to Section 118 (3) (a) of Public Finance Management Act 2012 and the Standing Order No. 210 of the County Assembly of Bungoma Standing Orders, I hereby present to this House the Committee's Report on the Bungoma County Budget Review and Outlook Paper for the FY 2022/2023 which was tabled on 21st October and committed to Budget and Appropriations Committee for processing.

COMMITTEE MEMBERSHIP

The Committee on Budget and Appropriations as currently constituted comprise the following Members;

- | | | |
|----|-----------------------|------------------|
| 1. | Hon. Jack Wambulwa | Chairperson |
| 2. | Hon. Charles Nangulu | Vice Chairperson |
| 3. | Hon. Ali Machani | Member |
| 4. | Hon. Anthony Lusenaka | Member |
| 5. | Hon. Meshack Simiyu | Member |
| 6. | Hon. Joan Kirong | Member |
| 7. | Hon. Miliar Masungo | Member |
| 8. | Hon. Sudi Busolo | Member |
| 9. | Hon. Grace Sundukwa | Member |

10. Hon.Caleb Wanjala Member

11. Hon. Polycarp Kimeta Member

THE MANDATE OF THE COMMITTEE

The Budget and Appropriations Committee is established under Standing Order No. 210 of the County Assembly of Bungoma and is mandated to:

- a) Discuss and review the estimates and make recommendation to the County Assembly;
- b) Examine the County Fiscal Strategy Paper presented to the County Assembly;
- c) Examine the County Debt Management Strategy Paper presented to the County Assembly;
- d) Examine Bills related to the County Budget, including Appropriations Bills; and
- e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

Pursuant to the provisions of Standing Order No. 210, the Budget and Appropriations Committee discussed and examined the County Budget Review and Outlook Paper for the FY 2022/2023 and hereby presents the report with the recommendations to this House for deliberation and approval.

LEGAL FRAMEWORK

The Budget and Appropriations Committee is further given legal backing under the Public Finance Management Act (PFM) 2012 and Public Finance Management (County Governments) Regulations, 2015 as follows;

Section 118 of the Public Finance Management Act 2012 provides that:

- (1) A County Treasury shall
 - (a) prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and
 - (b) Submit the paper to the County Executive Committee by the 30th September of that year.

(2). In preparing its County Budget Review and Outlook Paper, the County Treasury shall specify—

- (a) the details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
- (b) the updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
- (c) information on—
 - i. any changes in the forecasts compared with the County Fiscal Strategy Paper; or
 - ii. how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
- (d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

(3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.

(4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—

- (a) Arrange for the Paper to be laid before the County Assembly; and
- (b) as soon as practicable after having done so, publish and publicize the Paper.

Fiscal Responsibility Principles in the Public Finance Management Act

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. Section 107(2) of PFM Act states that:

1. Over the medium term, a minimum of 30% of the county government budget shall be allocated to development expenditure.
2. The county government will institute measures geared towards lowering expenditure on wages and benefits for public officers so as not to exceed a percentage of the county government revenue as prescribed by the regulations, in this case 35%.
3. Over the medium term, the county government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure, provided that the National Treasury guarantees the borrowings.
4. Public debt and obligations shall be maintained at a sustainable level as approved by Parliament (NG) and County Assembly (CG)
5. Fiscal risks shall be managed prudently
6. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.

Objective of the Budget Review and Outlook Paper

1. The CBROP is a key document in linking policy, planning and budgeting. It presents a revised fiscal outlook of the fiscal performance for the financial year 2021/22 including adherence to the objectives and principles outlined in the 2022 County Fiscal Strategy Paper (CFSP) and the PFM Act, 2012.
2. The review findings together with the recent economic developments and outlook provides a basis for the revision of the current budget and the financial policies underpinning the medium-term plan. The 2022/2023 CBROP will guide development of the 2023 CFSP that will summarize the various projects and initiatives that will be undertaken during the Third County Integrated Development Plan (CIDP III 2023-2027)
3. As required by the PFM Act, 2012, the annual budget process aims to improve the efficiency and effectiveness of revenue mobilization and government spending to ensure debt sustainability and stimulate economic activity. To achieve this, the County Government remains committed to a measured, prudent course of fiscal consolidation to narrow the budget deficit and while at the same time enhancing the absorption capacity of MDAs.

4. The 2022/2023 CBROP provides sector ceilings which will guide the budget preparation process for the FY 2023/24 and the medium term. The sector ceilings are based on the overall resource envelope that is informed by the medium-term macro-fiscal projections as presented in sections III and IV of this document.
5. It outlines broad policies and proposals needed to improve food security, support manufacturing activities, enhance universal health coverage and enhance living conditions through social economic activities including affordable housing. To meet the commitments, the County Government will continue to implement measures aimed at raising the share of own source revenues and providing incentives for private sector participation in the County transformation. In addition, the County Government will continue to gradually reduce non-priority expenditures, improve value for money spent and stabilize the public finances.
6. To meet the current commitments as contained in the FY 2022/23 Budget, the County Government is implementing revenue enhancement measures aimed at expanding the local revenue base and providing incentives for businesses to thrive and create employment opportunities, improve value for money spent, stabilize expenditure on personal emoluments consistent with the County Integrated Development Plan, County strategic plan, and the overall strategies and policies outlined in the Vision 2030's and the third Medium-Term Plan (MTP IV) - 2023-2027.

THE EXECUTIVE SUMMARY

The Budget Review and Outlook Paper have been prepared in accordance with the Public Finance Management {PFM} Act, 2012 and its Regulations.

The document provides actual fiscal performance for FY 2021/2022, macro-economic projections and the sector ceilings for the FY 2023/2024 as well as the medium term budget.

In addition, the document equally provides an overview of how the actual performance of the FY2021/2022 affected our compliance with the fiscal responsibility principles and the financial objectives spelt out in the 2022/2023 County Fiscal Strategy Paper.

Preliminary outcome for the FY 2021/22 indicates that the cumulative revenue collection including AIA was Kshs. 983,296,708. This revenue was Kshs. 505,039,785 (33.9 %) below the target of Kshs 1,488,336,493. The total expenditure amounted to Kshs 11.444 billion against a target of Kshs 14.454 billion. The variance of 20.8% (Kshs.3.0094 billions) was

attributed to lower absorption recorded in both recurrent expenditure (Kshs. 9.2549 billion) and development expenditures (Kshs. 2.1899 billion) by the County Government.

Acknowledgment

May I take this opportunity to thank the office of the Speaker and Clerk of the County Assembly for their logistical support that made this exercise a success.

I also appreciate the Honorable Members and the secretariat of the Committee for their commitment and dedicating their time to examine the Bungoma County Budget Review Outlook Paper for Financial Year 2022/2023.

It is therefore my privilege, on behalf of the Budget and Appropriations Committee to present the Committee's Report on the County Budget Review and Outlook Paper FY 2022/2023 for debate and adoption.

REVIEW OF FISCAL PERFORMANCE FOR FY 2021/22

PERFORMANCE OF REVENUES

In the FY 2021/2022, the resource envelope of the County was Kshs. 14,454,364,385 out of which Kshs. 11,690,427,481 was received representing 80.9 % of its total budget compared to Kshs. 13,239,233,043 that was released in FY 2020/2021.

Equitable share brought forward from the financial year 2020/21 Kshs.230,673,452 was fully realised as budgeted.

The targeted Equitable Share in the FY 2021/2022 was Kshs 10,659,435,191 out of which Kshs, 9,806,680,373 representing 92% was received hence a deficit of Kshs.852,754,819.

Local Revenue collection amounted to Kshs. 368,035,218 against a target of Kshs. 746,811,602. The A-i-A collection amounted to Kshs. 615.2 million against target of 741.5 million and this was an increase of Kshs. 244.9 million from FY 2020/21 collection of Kshs. 370.3 million as a result of an enhanced collection and improved disclosure by MDAs.

The table below shows the analysis of CDAs Revenues for FY 2020/2021 and FY 2021/22: Honourable Speaker, I am sure we have tables on our gadgets and members can go through it. On page 13, from the table above, dismal performance was reported on the following revenue streams: Land rates, single business permit, boda boda fees, food hygiene licenses, advertisement fee, Cess, market fees and enclosed bus park. With the organized structures managing these businesses, revenue targets should be predictable and therefore achievable

Other property and other revenues with targets of Kshs.2.4 million and Kshs. 20.4 million respectively has no clear revenue streams and it should be clearly named for proper monitoring.

The AiA collection recorded a shortfall of Kshs. 126,263,401 as a result of a difficult operating environment that slowed down activities in MDAs. In particular, the department of Health and Sanitation bore the greatest impact of the pandemic as most patients avoided public health facilities to evade compulsory COVID screening, feared contracting COVID-19 and the stigma they would face should they be quarantined.

The departments of Education, Roads, Public Administration and County Secretary did not achieve a cent of their set targets

Agriculture, Livestock, Fisheries and Co-operatives Development surpassed its set target by 10% and the trend should be encouraged and targets enhanced.

Tourism, Forestry, environment and natural resources and water met 3% of their targets.

EXPENDITURE FOR FINANCIAL YEAR 2021/2022

The table below shows the approved budget and actual expenditures in the FY 2021/22 in comparison with FY 2020/21

	Actual 2020/21	Target 2021/22	Actual Expenditure	Deviation	% Deviation
A) Recurrent	8,163.9	9,974.9	9,254.7	720.2	7.2
B) Development	3,364.9	4,479.3696	2,189.9	2,289.4	51.11
TOTAL	11,528.9	14.454.3	11,444.7	3,009.4	20.8

This shows that recurrent expenditure absorption was 92.7% as compared to development expenditure absorption of 48.8% of the appropriated amounts.

Development expenditure was lower compared to FY 2020/21 due to late commencement of procurement process and delayed disbursement of development funds from the national treasury. In FY 2020/21 the actual expenditure on development was 29% and on recurrent was 71% while in FY 2021/22 development expenditure was 19% while recurrent was 81%.

Analysis of total revenues compared to budgeted total revenues shows a fiscal deficit of Kshs. 2,276,139,360 (15.8%) for FY 2021/22.

Analysis of expenditure by economic classification for FY 2021/2022 is summarized in the table below;

Department	Personnel Emolument	Operation & Maintenance	Recurrent	Development	Total
Total	5,178,340,834	4,076,427,625	9,254,768,459	2,189,989,610	11,444,758,069
Percentage	45.25	35.62	80.86	19.14	100

Personnel emoluments and operation and maintenance accounted for 45.25% and 35.62% of the total expenditure respectively while development expenditure accounted for 19.14%. The 45.25% expenditure on personnel emoluments includes expenditure from the County Assembly, gratuity and pension for all county employees. This therefore means that 80% of the recurrent budget was absorbed against a paltry 19% per cent absorption on development funds.

We have a table of department's expenditure for the period ending June 30th 2022. We have the table on our gadgets we can go through it.

Notably, the budget outlook for the following departments was not provided, yet they have distinct budgets: Youth and Sports, Office of the County Secretary, ICT, sub county Administration and deputy Governors. Under Tourism and environment data was also not provided on development expenditures.

Education department expended over and above the approved budget by 0.54%. The source of funds has not been given.

Recurrent expenditures stood at an average of 90% across the department while development averaged at 48 % with highest absorption 76% and 65 % in Education and roads department respectively. The municipalities had the lowest absorption of development funds at 14% followed by Agriculture at 34%.

Finance and economic planning development allocation relates to funds in the retention account which reported zero expenditure at the end of the financial year.

In line with the Constitution of Kenya 2010, the PFM Act, 2012, the PFM regulations, and in keeping in line with prudent and transparent management of public resources, the Bungoma

County Government has not adhered to the fiscal responsibility principles as set out in the statute as follows:

- a. The County Government's allocation to development expenditures has been above 30 percent of County Government expenditures. In the FY 2021/22, the allocation to development in the budget was 30.7 percent of the total allocation meeting the set threshold. However, the County Government development expenditure was at 19.1 per cent of total expenditure compared to 80.86 recurrent expenditures.
- b. The law requires that the County government's expenditure on the compensation of employees (including benefits and allowances) shall not exceed 35 per cent of the county government's equitable share of the revenue raised nationally plus other revenues generated by the county. The share of wages and benefits to revenues was 45.25 percent in the FY 2021/22 which is above the statutory requirement of 35.0 percent of the equitable share from National Government, grants from both National Government and Development partners plus other revenues generated by the County Government.
- c. Fiscal risks have not been managed prudently as required, the County Government has to improve its revenue forecasts, Potential fiscal risks arising from contingent liabilities, including from Public Private Partnership (PPPs) projects among others are taken into account and sufficient contingency provision made to cushion the county economy from unforeseeable shocks. Pending bill continue to escalate due expenditures outside approved budgets.
- d. On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases, the County Government continues to carry out tax reforms through modernizing and simplifying tax administrative laws. In order to lock in predictability and enhance compliance with tax system, the government through the Finance Act, 2017, introduced stickers for Public Service Vehicles amid other changes to simplify tax administration and management. However, the introduction of stickers has resulted into a deficit of Kshs. 42 million on this revenue stream making it unpredictable.

Challenges encountered by the County in Public Finance Management

There are some notable challenges in the management of County public finances that have persisted and they include;

1. Irregular public procurement, such as, lack of proper documentation of the contracts awarded; variation of materials used in construction; engagement of service providers without proper contracts, un-procedural procurement of goods and services; awarding of contracts without performance bonds as required by the procurement law and awarding of same works to more than one contractor among others.
2. The weak management of assets and liabilities characterized by incomplete fixed assets register leading to under estimation of the assets held by the County Government. This has been made worse by the delay in the completion of the formal transfer of assets and liabilities.
3. Weak human resource management framework characterized by irregular recruitment of staff of both the Executive and the County Assembly; lack of human resource policy that would guide the staffing needs and irregular leasing of official residences for senior county officials. Weak human resource management limits the ability of the counties to manage their wage bill which has posed a major challenge.
4. The escalation of pending bills which is attributed to non-payment of contractors and suppliers of goods and services. In some instances, the county has failed to remit statutory deductions (including employee pension contributions and loan deductions) to respective institutions.
5. The establishment and management of Public Funds without the requisite legal and administrative frameworks which affects the administration, accounting and reporting of these Funds.
6. There is misalignment between financial reports prepared by the County Government and the financial records as captured in the Government's Integrated Financial Management Information System (IFMIS).

Measures to address some of the challenges faced by County Government;

1. To address the above challenges, the County Treasury has been undertaking extensive capacity building initiatives targeting county staff. In addition, the National Treasury has been supportive in developing the capacity of staff on various aspects of public finance management will continue in order to ensure compliance with the legal requirements as contained in the PFM Act and Regulations.
2. In addition, through the National Government and in partnership with the World Bank, the County will continue implementing the Kenya Devolution Support Program (KDSP)

which seeks to incentivize better PFM performance by providing additional resources for capacity development that achieve pre-agreed results in core PFM key result areas.

3. The County will embrace efforts to enhance own source revenue, by implementing the County Governments' own source revenue enhancement policies and bills which are being fast tracked for approval by County Executive Committee and there after submitted to the County Assembly for enactment into law.
4. The county will implement the findings of the county revenue potential study commissioned by the National Treasury. According to the study's draft report, almost all counties could dramatically increase own source revenue contributions to their budgets by refocusing enhancement efforts on key streams, broadening the base for collections, and simplifying rate structures. The study also recommends strategies for strengthening the linkage between revenue collection and policy objectives, improving efficiency of revenue administration arrangements that is through collaboration with Kenya Revenue Authority and fixing legal weaknesses. In addition to the revenue potential study, the National Treasury is planning to train Counties on own source revenue forecasting and tax analysis.

MEDIUM TERM REVENUE STRATEGY

The County Government own source revenue has been growing at a slow pace over the years. There was a slight decline of 2.5% in FY 2020/21 due to emergence of COVID-19 pandemic. In FY 2021/22, a growth of 29.7% was recorded as economic activities picked up following the easing of COVID-19 restrictions.

The County has continued to encounter various challenges raising own source revenue, these include;

- i. Several County departments are yet to enact the necessary pieces of legislation to support revenue collection and administration. These include the following bills:
 - a) County Rating Bill
 - b) Animal Control and Welfare Bill
 - c) Outdoor Advertisement and Signage Bill
 - d) Physical Planning Bill
 - e) Construction and Development Control Bill

- f) Inspectorate and Enforcement Bill
- g) County Valuation Roll
- h) Housing Policy
- i) County Public Entertainment and Amenities Bill
- ii. There was unprecedented resistance to pay taxes from obligated business people, major cases being the Boda boda operators. Despite numerous stakeholder meetings, compliance remained poor.
- iii. The poor state of market support infrastructure including auction rings, sanitation facilities and slaughterhouses posed a challenge in enforcing collection as several incidences of resistance were reported across the county.
- iv. Limitation in undertaking revenue supervision arising from mobility constraints. Most of the department vehicles are old and frequently breakdown, significantly affecting supervision and collection efforts.
- v. Motivation programmes for revenue collectors were not implemented. These included reimbursements of transport to revenue collectors traversing across county markets to collect revenue. Training and promotions were not fully realized.
- vi. In its quest to increase efficiency in revenue administration, the County initiated use of technology to undertake collections and minimize cash handling. This included cashless mode of payment for market fees and parking. However due to budgetary constraints, inadequate training and sensitization of traders and revenue collectors affected remittance of revenue.

In order to attain revenue target, the department has put in place several enhancement measures:

- i. Weekly performance appraisal for revenue collectors to monitor variations between collections and targets. This will enhance collections from market fees and related streams.
- ii. The County has identified top 15 property rates defaulters whose cumulative outstanding rates amount to Ksh.40 million. The list has been forwarded to the County Attorney to pursue litigation.

- iii. Set up a negotiation committee to engage property rates and other defaulters to draw a payment plan.
- iv. Tax incentives including waivers and flexible plans for defaulters.
- v. Integration of the BARMS system with other systems including banks, NTSA, Business registrar, IPPD among other to develop a comprehensive business register for easier tracking of tax compliance.
- vi. Continuous on-job trainings for revenue staffs on their relevant fields.

RESOURCE ALLOCATION FRAMEWORK

FY 2022/2023 BUDGET

The Medium-Term Fiscal Framework (MTFF) for the FY 2022/23 emphasizes on efficiency and effectiveness of public spending and improving revenue collection to stimulate and sustain economic activities, mitigate the adverse impact of COVID-19 pandemic and the on-going Russia-Ukraine conflict on the economy and re-position the economy on a steady and sustainable growth trajectory. This will in turn enhance fiscal discipline and reduce ballooning pending bills.

Therefore, total revenue for the FY 2022/23 is projected to be Kshs. 12,914,280,379 out of which own source revenue is projected to be Kshs.1,398,524,891 and the recurrent expenditure is projected to be Kshs. 9,102,727,028 while Kshs. 3,811,553,350 for development. Emergency fund has been allocated Kshs.57, 750,000 and County Assembly has an allocation of Kshs. 1,125,201,641.

FY 2023/24 BUDGET FRAMEWORK

Mr. Speaker Sir, in the FY 2023/24 the projected revenue is Kshs. 12,757,660,409 including own source revenue target of Kshs.1, 517,274,781. This revenue performance will be underpinned by economic recovery efforts; the on-going reforms in revenue administration and boosted by economic recovery in the country. Occasioned by implementation of priority

programmes under the Economic Recovery Strategy, recurrent expenditure is projected to be Kshs.8, 925,346,220 while Development is projected to be Kshs.3, 832,314,188.

Medium-Term Expenditure Framework

The following criteria will serve as a guide for allocating resources:

- i. Linkage of programmes to Economic Recovery Strategy; with the objectives of the CIDP, Third Medium-Term Plan of Vision 2030; to the 2023 County Fiscal Strategy paper.
- ii. Degree to which the programme is addressing the core mandate of the CDAs, job creation and poverty reduction.
- iii. Expected outputs and outcomes, cost effectiveness and sustainability of the programme.

In the submitted document, the county fiscal projections provide comparisons between the updated projections in the CBROP 2022/2023 and the CFSP 2022/2023 for the financial year 2023/24 and in the medium term. The deviations, in the revision in revenues and expenditures are due to the base effect on revenue forecast and macroeconomic assumptions contained in this CBROP, which will be firmed up in the context of the CFSP 2023/2024. The County Government will not deviate from the fiscal responsibility principles, but will make appropriate modifications to the financial objectives contained in the latest CFSP to reflect the changed circumstances.

The resource envelope and ceilings for each sector provided in this Budget review and outlook paper will form inputs into the 2023/2024 County Fiscal strategy Paper. Medium term sector ceilings have been annexed but notably some sectors have major shifts in their ceiling which require additional explanation on the changes in the financial objectives as captured below:

1. Agriculture, Livestock, Fisheries, Irrigation and Cooperatives

Agriculture and Irrigation development ceiling has a positive deviation of Kshs. 247, 618,522 representing 53.6%.

Livestock and Fisheries development ceiling has a negative deviation of Kshs. 47,876,500 representing 58.5%.

Cooperative development's development the ceiling has a negative deviation of ksh.15,700,000 representing 59%.

2. Tourism and Environment

The Development ceiling has a positive deviation of Kshs. 99,407,554.

3. Water and Natural Resources

The Development ceiling has a negative deviation of Kshs. 201,154,000 representing 89.2%.

4. Roads and Public Works

The development ceiling has lost Kshs.827, 200,906 representing 62%.

5. Education and Vocational Training

The recurrent ceiling has a negative deviation of Kshs. 419,018,047 representing 31.2%.

The development ceiling has a positive deviation of Kshs. 62,890,000 representing 26.4%.

6. Health

The recurrent ceiling has a positive deviation of Kshs. 83,884,976 representing 2.7%. The development ceiling has a negative deviation of Kshs. 82,294,314 representing 26%.

7. Sanitation

The development ceiling has a negative deviation of Kshs. 3,500,000 representing 30.3%.

8. Trade

The development ceiling has negative deviation of Kshs. 50,073,000 representing 77%.

9. Energy

Development ceiling has a positive deviation of Kshs. 61,974,003.

10. Industrialization

The development ceiling has a positive deviation of Kshs. 34,598,997.

11. Lands urban and physical planning

Development ceiling has a negative deviation of Kshs. 26, 750,000.

12. Bungoma Municipality

Development ceiling has a negative deviation of Kshs. 31,887,700.

13. Kimilili Municipality

Development ceiling has a negative deviation of Kshs. 91,089,400.

14. Housing

Development ceiling has a positive deviation of Kshs.42,746,535.

15. Gender and Culture

Recurrent ceiling has a negative deviation of Kshs. 4,619,313

Development ceiling has a negative deviation of Kshs. 9,371,209.

16. Youth and Sports

Recurrent ceiling has a negative deviation of Kshs. 4,380,687.

Development ceiling has a negative deviation of Kshs.54, 228,791.

17. County Assembly

Recurrent ceiling has a negative deviation of Kshs. 145,686,946.

18. Finance and planning

Recurrent ceiling has a positive deviation of Kshs. 27,095,778.

19. County Public Service Board

Recurrent ceiling has a positive deviation of Kshs. 10,000,000.

Development ceiling has a negative deviation of Kshs. 30,000,000

20. Governors

Recurrent ceiling has a positive deviation of Kshs.20, 000,000.

21. Deputy Governor

Recurrent ceiling has a positive deviation of Kshs. 13,000,000.

22. Public Administration

Recurrent ceiling has a positive deviation of Kshs. 367,999,837.

23. Sub County Administration.

Recurrent ceiling has a positive deviation of Kshs. 34,028,383.

Development ceiling has a positive deviation of Kshs. 225,000,000.

24. County Secretary

Recurrent ceiling has a negative deviation of Kshs. 159,095,875.

Development ceiling has a negative deviation of Kshs. 103,815,048.

25. ICT

Development ceiling has a negative deviation of Kshs. 14,847,901.

Ward Based Projects

Development ceiling has an indicative allocation of Kshs. 855,000,000.

KEY FINDINGS, RECOMMENDATIONS AND CONCLUSION

COMMITTEE'S FINDINGS

The following are some of the Committee's key findings;

1. The own-source revenue outlook for the medium-term is not favourable. CBROP projections for revenue for the next financial year is unrealistic considering the past growth rates.
2. Other property and other revenues with targets of Kshs.2.4 million and Kshs. 20.4 million respectively has no clear revenue streams which is not a best practice and it should be clearly named for proper monitoring.
3. The budget outlook for the following departments were not provided yet they have distinct budgets; Youth and Sports, Office of the County Secretary, ICT, sub county Administration and Deputy Governor.
4. A total of Kshs.918 million worth of conditional grants were not realized to the County Government affecting the implementation of development projects.

5. The challenges enlisted have been in existence year in year out with no deliberate effort to address them. The Challenges includes Irregular public procurement, weak management of assets and liabilities, weak Human Resources management, escalation of pending bills, establishment and management of public funds without prerequisite legislation.
6. The County Government fiscal out turn barely adhered to most of the fiscal responsibility principles
7. The department of Education spent Kshs. 7.9 million over and above the approved recurrent budget.
8. The CBROP provides inadequate explanations for past performance and no justifications on the proposed ceilings which have major deviations from the previous allocations.
9. The ward-based projects have a proposed ceiling of Kshs, 19 million per ward which is the same amount as the current year's allocation. In next year's financial year.

RECOMMENDATIONS

Having analyzed the CBROP FY 2022/23, the Committee recommends as follows; THAT,

1. The Directorate of Revenue should always set realistic revenue targets to minimize cases of revising the targets downwards in the financial year through supplementary budgets. Strategies to enhance revenue should be actualized including enacting relevant tax laws.
2. The Directorate of Revenue should adopt a consistent approach on local revenue especially on naming revenue streams like a revenue stream on "other properties" can be grouped under property rates for proper reporting and monitoring.
3. A budget outlook of each of the department should captured in CBROP as per the Appropriation Act. The County Budget and Review Outlook paper should give clear information concerning past performance of the approved budgets for all departments. This makes it easier for honorable members to make factual recommendations that guide future budgets.
4. Sector Committees should oversight departments in relation to the donor funds and grants expected to be received in order to guarantee implementation of programmes and projects as captured in the approved PBB. Conditions set by donors should be met by the County Government. Departments benefiting from both national and

development partners' grants should keep engaging the donors through correspondences to ensure timely remittances to the County

5. Since the challenges faced by the County in Public Finance Management touches mostly on our internal systems, realistic measures should be put in place to ensure we do not encounter the challenges year in year out.
6. The CECM Finance should submit a responsibility statement on efforts the County will take in order to adhere to the fiscal responsibility principles as set out in the PFM Act Section 107(2).
7. Departments should spend funds in an authorised manner and as per PFM Act Section 149. The Education committee should check on the over expenditure in the department over and above the authorised amounts.
8. Budgets for departments should grow with at least 5% in subsequent financial years, and as such the proposed deviations in ceilings across the departments should be favorable while handling the CFSP 2023.
9. The County Treasury should always adhere to the recommendations of the Honorable members during approval of all budget documents for smooth and uninterrupted implementation.

CONCLUSION

It's my pleasant duty and privilege on behalf of the Budget and Appropriation Committee to move this report for the House consideration and also inform other documents in the budget circle. I move. `

Mr. Speaker: Thank you, Hon. Charles Nangulu. I will ask you now to invite your seconder of the motion.

Hon. Charles Nangulu: Thank you, Mr. Speaker. May I invite my chairperson to second the motion?

Hon. Jack Wambulwa: Thank you Honourable speaker. First of...

Mr. Speaker: But whoever is speaking is a James Barasa Mukhongo; it is not you. If you didn't carry your card, then come to the dispatch. Yes proceed Hon. Jack Wambulwa.

Hon. Jack Wambulwa: Noted Honourable Speaker. First of all, I want to thank my able vice chair for having taken us through this report. What is important here is that the sector committees should be alert and make follow ups to all these finances that come to the

departments, especially in the area of donor funds. Most departments are not declaring these funds; you just hear they have undertaken a project without involving the Assembly.

We should also be making follow ups on knowing what our payroll looks like, so that at the end of the day, when we finance these departments, they are able to account for since this money is coming in recurrent form. Some departments are taking advantage to misuse. I will therefore want to second this motion with a lot of humility and thank the members for having been patient for the same.

Mr. Speaker: Thank you Hon. Charles Nangulu and the seconder of the motion Hon. Jack Wambulwa. Honourable Members, it is now my duty to proceed and propose a motion for the House to debate on the same.

(Question proposed)

Hon. James Mukhongo: Thank you, Honourable Speaker. I stand to support the motion with the following. I have listened very carefully even though the report is not on my gadget, I don't know what has happened. But when the presenter of the motion was going through the report, I was very keen particularly when he reached on the observations and recommendations and even the seconder of the motion has reminded me that we use sector committees. We need to be very keen on anything that we approve.

When you look at the recent First Supplementary Budget, it has reminded me something because we gave a huge sum of amount of money in the department and when you look at the outcome, it is not good and how I wish as sectors as we have been advised by the Committee of Budget and Appropriation that need to be very keen in some of our allocations to departments.

We have not seen much being done by the newly appointed CEC Members. The reason we gave them some good amount of money and they have done nothing. But when you look at the outcome, it's very much wanting because we need also to show this county that we made changes and this is what we expected. I stand to support the report, as we move forward for other document that are coming, so that we will have the budget approved by this Honourable House. I rest my case.

Mr. Speaker: Thank you, Hon. James Barasa Mukhongo

Hon. Caleb Wanjala: Thank you, Mr. Speaker Sir for also giving me an opportunity to contribute over the same. Right now we expect to see a lot, especially on the side of the executive. Just like my colleague has said, we did give them a good allocation and if you look at the outcome, it is not good.

When people look at our track record, nothing is happening on the ground. We expect a lot. So for me, I rise to support the report. At the same time also as the sector committee, they have talked on the side of donor funding. We need to be keen, every sector committee needs to be keen to see that every donor funding is captured and is well utilised. Otherwise the lots of people who are just taking advantage of that the basis of the development of this county. I submit and support the report.

Mr. Speaker: Thank you Hon. Caleb Wanjala. Hon. Waiti, do you want to contribute? Honourable members in our Standing Order, it allows three languages. So he was using sign languages, which I'm able to read. We proceed.

(Laughter)

Hon. Wafula Waiti: Thank you Chair. I want to congratulate the committee for having brought forward this for the consumption of this House. As much as the committees are allocating funds to the department's such like agriculture where I head as the Chair, I want to request that this Honourable House through the Budget Committee to compel the executive and demand for the returns as they allocated these funds.

For example, when we allocate funds to some income generating activities in organisations like Mabanga, how is the return so that we don't go on allocating funds to the same department. And for example, when we demand for the return from the maize farm, they cannot be able to give us the return. So that means they are consuming without producing. So, how I wish that we demand to see such revenue collections from an institution like the Mabanga, Chwele Fish Farms and others. I want to congratulate the committee for coming up with that good presentation.

Mr. Speaker: Thank you, Hon. Waiti. Honourable members, allow me invite the mover of the motion to make a brief reply.

Hon. Charles Nangulu: Thank you, Mr. Speaker. This report that was done by the committee, I think it's well done. I wish that the sectoral committees should be interrogating all revenue and grants to various departments so that they know status of various projects in the County.

Mr. Speaker: Thank you, Hon. Charles. Honourable members, I will now proceed and be able to put a question to the said motion for this House to make its decision. Honourable members, a motion was moved, seconded and debate having ensued that this House approves the report for the Budget and Appropriation Committee on the Bungoma County Budget Review and Outlook Paper for the financial year 2022/23

(Question put and agreed to)

The report is adopted. I will direct it to be forwarded to the relevant department for implementation purposes.

Honourable members that is last item on our Order Paper. We will now adjourn our sitting and resume at 2:30 p.m. today in our afternoon session.

(House adjourns)