

**COUNTY GOVERNMENT OF BUNGOMA**

**COUNTY ASSEMBLY OF BUNGOMA**

**COUNTY ASSEMBLY DEBATES**

**THE DAILY HANSARD**

**TUESDAY 28<sup>TH</sup> NOVEMBER, 2023**

**Afternoon Sitting**

# COUNTY ASSEMBLY OF BUNGOMA

## THE DAILY HANSARD

**TUESDAY 28<sup>TH</sup> NOVEMBER, 2023**

The house met at 2:30 p.m.

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

### PRAYER

### PETITIONS

#### **REPORT BY THE COMMITTEE ON A PETITION BY EMONYO YEFWE INTERNATIONAL ON MARKET CONSTRUCTION FOR MOBILE TRADERS AT DINA FLY-OVER WEBUYE**

**Hon. Francis Chemion:** Thank you, Hon. Speaker. On behalf of the Legal Affairs and Justice committee, I want to present a report by the committee on a petition by Emony Yefwe International on market construction for mobile traders at Dina Fly-Over Webuye.

I will just go through the petitioners' submissions then observations and recommendations.

The petitioners were invited and appeared before the committee on 2<sup>nd</sup> October 2023. The petitioners informed the committee that they had made efforts to have the matter addressed by His Excellence the governor in form of a letter dated 9<sup>th</sup> October 2018 and a reminder dated 4<sup>th</sup> October 2021. The petitioners also stated that they had not received any response to that effect and that is why they resorted to the Assembly via the petition.

In compliance with Standing Order number 220(g) the petitioner indicated to the committee that the matter was not pending before any court of law or other constitutional or legal body.

The petitioners requested the committee to;

1. Investigate if there was an allocation for the purchase of land for the market at Dina, Matulo Ward in the financial years 2018/19 and 2019/2020 budgets.
2. Ask the concerned departments to avail records of public participation by the Dina community of the same. They added that the interchange was on Webuye-Kitale road yet the construction is on Webuye-Bungoma Road and wondered why the design was changed. Dina junction is vibrant and requires some modern markets so the County should get land within the required proximity.
3. They further stated that the contractor failed to provide road-side facilities at Dina during design stage as implemented in Misikhu, Kamukuywa, Sikhendu and Kiminini.

Those were the submissions from the petitioners and these are the committee observations

## General Observations

The committee observed as follows;

1. County Government through Ward leadership provided land where KENHA is constructing the market near Catholic Church in Webuye.
2. The department of Health and Sanitation acquired land adjacent to Dina interchange round-about for construction of public toilets and water kiosk.
3. The public toilet block at Dina junction constructed as part of the Community Social Responsibility package is operational and is serving the public.
4. The street lights were installed and are operationalized at Dina junction.
5. Many traders are still carrying out their businesses at Dina junction.
6. KENHA carried out public participation on the construction of the new market and compensated valid traders.

## General recommendations

1. The Catholic market completion and operationalization should be expedited.
2. There should be thorough vetting of Dina junction traders to identify genuine ones
3. The department of Trade, Energy and Industrialization should give priority to Dina junction traders in allocation of stalls at the new market near Catholic Church Webuye.

## Petitioners' prayers

Based on the committee's observation and recommendations, the petition is hereby dismissed.

**Mr. Speaker:** Thank you, Hon. Chemion. Honourable Members, the Clerk of the County Assembly of Bungoma should comply with Standing Order number 225(3) 228 accordingly.

Next item,

## PAPERS

### REPORT BY PAIC ON THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS OF BUNGOMA COUNTY TRADE AND DEVELOPMENT FUND FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021

**Mr. Speaker:** I reserve my comment; it only tells us one thing honourable members, that the committee is very disjointed, let's proceed. I thought when you finish the report writing you agree who is going to present

**Hon. Everton Nganga (Chairperson PAIC):** Thank you, Hon. Speaker. I rise to table a report by PAIC on the Auditor General's report on the financial Statements of Bungoma County Trade and Development fund for the period ended 30<sup>th</sup> June 2021.

*(Paper tabled by Hon. Everton Nganga)*

**Mr. Speaker:** Thank you, Hon. Everton Nganga. Honourable members, the report by the Public Accounts and Investment committee on the Auditor General's report on the financial statement of Trade and Development Fund for the period ending 30<sup>th</sup> June 2021 is hereby tabled and it formerly becomes property of the House accordingly.

**REPORT BY THE COMMITTEE ON LANDS, URBAN, PHYSICAL PLANNING AND  
HOUSING ON THE PROTEST LETTER AGAINST THE TRANSFER OF THE MANAGER  
OF BUNGOMA MUNICIPALITY**

**Hon. Eunice Kirui:** Thank you, Hon. Speaker sir. I stand to table a report by the Committee on Lands, Urban, Physical Planning and Housing on the protest letter against the transfer of the manager of Bungoma Municipality.

*(Paper laid on the Table by Hon. Eunice Kirui)*

**Mr. Speaker:** Honourable members, the report by the committee on Lands, Urban and Physical Planning on the protest letter against the transfer of the manager of Bungoma municipality is hereby tabled and it formerly becomes property of the House accordingly

**NOTICES OF MOTION**

**REPORT BY PAIC ON THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL  
STATEMENTS OF BUNGOMA COUNTY TRADE AND DEVELOPMENT FUND FOR THE  
PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

**Hon. Everton Nganga (Chairperson PAIC):** Thank you, Hon. Speaker. I rise to give a notice of motion that this House adopts the report by Public Accounts and Investments Committee on the Auditor General's report on the financial Statements of Bungoma County Trade and Development fund for the period ended 30<sup>th</sup> June 2021. Thank you.

**Mr. Speaker:** Honourable members, the Public Accounts and Investments Committee has duly issued a notice, the same be circulated to honourable members it will form business on Order Paper as will be scheduled by HBC

**REPORT BY THE COMMITTEE ON LANDS, URBAN, PHYSICAL PLANNING AND  
HOUSING ON THE PROTEST LETTER AGAINST THE TRANSFER OF THE MANAGER  
OF BUNGOMA MUNICIPALITY**

**Hon. Eunice Kirui:** Thank you, Hon. Speaker. I rise to issue a notice of motion that this House adopts the report by the sectoral committee on Lands on the protest letter against the transfer of the manager of Bungoma Municipality.

**Mr. Speaker:** Honourable members, the sector committee on Lands has duly issued a notice on its report, the same report be shared by honourable members as it will form business on our Order Paper in the course of the week or once scheduled by HBC early next week accordingly.

## QUESTIONS AND STATEMENTS

**IT IS NOTIFIED THAT PURSUANT TO STANDING ORDER NUMBER 55, THE COUNTY EXECUTIVE COMMITTEE MEMBER FOR ROADS, TRANSPORT, INFRASTRUCTURE AND PUBLIC WORKS WILL RESPOND TO QUESTION NUMBER 65 OF 2023 BY HONOURABLE MEMBER FOR MISIKHU WARD HON. MILLIAH MASUNGO.**

**Mr. Speaker:** Now honourable member, I do have a response here with me. Hon. Chemion you have instructions of proceeding, you are standing in for who?

**Hon. Francis Chemion:** For Hon. Masungu

**Mr. Speaker:** Then the chairperson Roads committee or any member, where is the response? We will not adjourn...CEC is around? Let's have the CEC ushered in but I think there is no arrangement for him to be here.

Members sometime back 3 weeks ago, we did have visitors from the senate who came around and they were training our staff on appearance of CEC and now they won't be part of Honourable members, they will be standing here and answering questions and they go out so that they don't start imagining of becoming honourable members in your Wards when you are still alive. Sometime back there was one who wanted to become a honourable MCA from Kulisiru and you are aware of that position and that is not a good behaviour. Hon. Zedi is behaving as if it is news from the moon, it is what happened, ask Hon. Nyongesa he will tell you.

Members, I will have to invite Hon. Chemion to read the question a fresh so that it is covered on HANSARD then we get a response accordingly.

Welcome our CEC Bonaventure; you will sit there shortly because they must read the statement before you start responding.

Honourable members, before us we have the CEC for Roads and Works, let me allow Hon. Chemion who has stepped in for Hon. Masungu to go through the statement then we allow the CEC to respond accordingly

**Hon. Francis Chemion:** Thank you, Mr. Speaker. Honourable members, on behalf of Hon. Milliah Masungu who sought a statement from the department of Roads and a response has been availed I have it here. The statement was asking the department to give information on KERRA and County Government Roads, I will read it.

Member of Misikhu Ward Hon. Milliah Masungu to seek a response from the CECM Roads and Infrastructure and Public Works in relation to roads construction, repair and maintenance programme under KERRA and County Government for Financial Year 2021/22 and 2022/23

The CECM to respond to the following;

1. List of all county roads constructed or planned to be constructed, repaired and maintained by Kenya Rural Roads Authority across the 45 Wards with special emphasis on Misikhu Ward.
2. List of all county roads constructed or to be constructed, repaired and maintained by the County Government of Bungoma.
3. The scope of work done or planned to be undertaken in the listed roads.
4. The project implementation report indicating extent of works undertaken in the identified roads both by KERRA and County Government.
5. Memorandum of understanding if any between KERRA and the County Government of Bungoma with regards to construction, repair and maintenance of rural roads.

**Mr. Speaker:** Thank you, Hon. Chemion who has stepped in for Hon. Milliah Masungu. Honourable members, allow me to be able to invite our CEC for Roads, Bonaventure Chengek Chemaket to give us a response accordingly. CECM welcome and proceed, you will give a response from the podium here.

**CECM Roads:** Thank you, Hon. Speaker and Members; we did receive a statement with regards to KERRA and County Roads Work Plans for 2023/24 and status of 2022 and 2022/23. I will proceed then to give the statement.

Reference is made to the letter reference number *BCA/CC/SECTOR/Vol. VI.38* dated 9<sup>th</sup> November 2023 requesting for status of road construction, repair and maintenance programmes under the Kenya Rural Roads Authority and County Government of Bungoma for the Years 2021/22 and 2022/23.

Attached herein please find what we have attached is the list of roads undertaken by the County Government of Bungoma for the year 2021/22 and 2022/23 and that of KERRA for the year 2022/23 across the County with their scope of work and status, kindly note that we had requested for their list of roads for financial year 2021/22 which they did not avail to us.

We also have attached herein the list of roads planned to be undertaken by the County Government of Bungoma and by KERRA for the year 2023/24 with their scope of works.

With regards to the Memorandum of Understanding, we kindly note that the County Government of Bungoma does not have any MOU with KERRA in relation to implementation of Road Works but instead we rely on notices of no objection to inform non duplication of projects. Thank you.

**Mr. Speaker:** Hon. Chemion, do you have a copy of the response

**Hon. Francis Chemion:** Thank you, Hon. Speaker. First, we note from the response that KERRA has not submitted a list of roads for financial year 2021/22 as said by the CECM. Secondly, looking at the list that we have, you will note and I know honourable members are looking at that list in your gadgets, you will note in your Wards or sub-counties, the roads that were planned for 2023/24 by KERRA, the same roads were done in the previous

financial year and that could have been the reason why KERRA were not able to provide us with 2021/22 list.

Honourable members, if you check from your Wards, you will realize that most of the roads that they are planning to do now were done in the other previous year. For Example this Napara-Kimwanga in Kimaeti, it was done last financial year and it is earmarked for this 2023/24 again, we have Mateka-Kibajenje to Sioya-Bukhuma still was done in last financial year and it is planned again to be done this year.

Generally, if members will be able to look critically, because I cannot tell exactly what happened in Kamukuywa and other areas but you will know that there are roads that KERRA are repeating and in some of the areas what has been done by County Government, KERRA people just come and put their sign posts there, in some areas it has happened and we have seen and the money is deemed to have been used in constructing such roads and this is done by most of the roads done by the County Government of Bungoma. There should be a clear demarcation even if we have that issue of no objection, we must have a clear demarcation on what KERRA should do and what the County Government has to do.

The main issue was on that area of duplication of roads and repeating the same roads every year, doing the same work, if it is gravelling they just gravel the same area meaning they underutilize the finances that they receive.

That was the main concern of the honourable member. I will allow honourable members also to say something and I will be coming back as I emphasize on that Ward, the Ward that Honourable Milliah comes from, I will be coming to emphasize on the areas that she has told me to emphasize.

**Mr. Speaker:** Thank you, Hon. Hentry then I will have Hon. Joseph Nyongesa in that order.

**Hon. Hentry Nyongesa:** Thank you, Mr. Speaker. From the answers given, it looks like KERRA is living on its own world and the County Government on a different world and therefore they can't hold each other's hand when they are walking but the objective you may realize is the same; to make roads passable, but if they can't hold hands then it means there is a problem.

With institutional memory where the owner of the statement is coming from is very clear that within the County or at the constituency level where Members of Parliament have a say in these roads we may realize that some of the areas are being used specifically for business purposes. I don't know maybe it is KERRA doing that because you realize that the statement is rotating around it. For example in Bumula Mr. Speaker, I once when I was on leave, I was allowed to do business with the government, I was given a forced leave and I went in to do business with KERRA

**Mr. Speaker:** You were given leave by voters.

**Hon. Hentry Nyongesa:** Yes.



**Mr. Speaker:** That is understood proceed.

**Hon. Hentry Nyongesa:** So Mr. Speaker, I went to apply for the road called Malakisi-Miyanga-Buyofu road but it starts from Malakisi in Bumula Constituency. The County government had already done something on the same road because it was impassable but we thought now KERRA was coming to do full implementation of it. Do you know what happened? The advertisement died naturally and the money was paid. Those of us who were interested in the road didn't see anything and there was no communication, but the money was paid and after some time, they advertised again to do road maintenance.

This is something that is bringing problems because where we sit under the County Government, it is very clear that we are supposed to do feeder roads, a road that can connect my Ward to another Ward, that is not happening.

When you look at our budget under CEF there is no way we can say that we will do a road more than 10KM even if we try for heaven to come down, we can't be able to do a road that is 10-15KM. We are just in between 3Km and 5Km but you may realize there is a road that is almost 15Km and the member of parliament rises up in the funeral and says that this road is for the MCA then you start wondering is the MCA going to use that road alone or what is happening. So we need this thing to be brought on book and CEC we want to request that clear justification from the national government must be given.

Something is circulating on social media, but I want to treat it as rumour, that Bungoma county has been given 500Metres of road on social media and then you see if we shall keep quiet on those things, it might be true or not true but you see it is on social media and people are even telling my mother at home that the national government is only coming to do 500Metres of a road in Bungoma County, so we start wondering will it be in my ward or another Ward.

The Director of KERRA should come out very clearly and tell us which are the roads he has been implementing and which ones he wants a backup from the County Government of Bungoma. I am sure they are given a lot of money around Kshs.120Million for every constituency and you will see that the budget that we are giving the CEC in terms of infrastructure is just a drop in the ocean compared to the money that is being given to constituencies. We want to have a round table meeting to discuss these things.

This House is a High Court and is allowed to call anybody who is holding trustee of government money whether National or County Government to come and explain to us. I leave that one under your direction.

**Hon. Joseph Nyongesa:** Thank you, Mr. Speaker. First, I want to appreciate the initiator of this statement which is going to open us so that we know what normally happens in KERRA. My question is Waziri also a member of that board or not? If yes is he also part of decision making or he is just a member?



**Hon. Everton Nganga:** Thank you, Hon. Speaker. First, I would like to thank the initiator of the statement. The issue of duplication of projects by the County Governments and National Government KERRA is common and is actually in every Ward. I would request that the CECM Roads holds a meeting with the Director KERRA, so that they can come up with a list of roads so that we honourable members scan be aware of the roads that are supposed to be maintained by KERRA and the ones supposed to be maintained by the County Government.

We can allocate money to a road and after the road is being completed you see KERRA also come and start pretending that they are also maintaining the same road. In that moment you discover that the National Government and County Government money are being looted. We honourable Members don't know the categorization, how to categorize these roads. Like in my Ward, there are Roads that you discover KERRA was maintaining some years back but they have decided not to maintain them, they have decided not to. When a common *mwananchi* proceeds and starts crying they also point accusation fingers to us honourable Members, it is my request the way the Leader of Majority has stated if our CECM can sit down with the Coordinator for KERRA and demarcate the roads for KERRA and those ones for the County Government so that we do not go into conflict fighting where you prepare a road and then KERRA comes to pitch a sign post that they are the ones maintaining. Thank you honourable speaker for giving me a chance but it is a very good statement that we should get proper response.

**Hon. Johnston Ipara:** Thank you, Hon. Speaker. Let me also laud Hon. Milliah for bringing this particular issue.

First of all, let me appreciate KERRA for supplementing what the County Government does within the County and what is within the requirements of the Kenyan constitution which say that every road belongs either to the County or the National Government. Whichever road they do within the county is their responsibility.

I want also to agree with Hon. Chemion who is representing Hon. Milliah, actually it leaves one wondering why a road that was done by KERRA during the last financial year is the same road they are doing today. As a good example, I want to draw you to the list of roads, the one saying Minyali-Ndalu-Brigidier road, that road was done toward the end of the last financial year and today they are again doing it. If you went to Soysambu you will find a road running from the main tarmac to Namatore and Mwikhopo, that road is not done but previously it was being done by KERRA and also if you walked down as you are going to Tongaren at a place called Binyenya to Sikulu that road also used to be done. It makes one wonder as to why even when the road has not worsened they just come running and doing the same road.

When we talk about equitable utilization of resources, that bits logic because right now all of us are running looking for where those resources can be found and fortunately KERRA has them, why can't KERRA take just a little time, consult the CECM for roads of respective counties to find out which roads can be undertaken within this period or which roads they have not planned in the budget to do during this period. That will bring about rationalization

and utilization of scarce resources. Otherwise we want to say what they are doing is good but let them do it in consultation. I submit.

**Mr. Speaker:** Thank you, CEC you will give feedback on the issues flagged out.

**CEC Roads:** Thank you, Hon. Speaker. I have noted the issues raised, but first of all, I would like to mention here that KERRA has different programmes that they run, some they don't even advertise, we have what they call special, annuity programs, emergency, CS allocation and constituency programmes which is 69Million per constituency. They do their work almost in isolation although we consult once in a while basically where there are issues around duplication but you will find most of the time how they design their work, how they issue contracts and supervise mostly they don't inform County Governments.

Also those who have been following up keenly, in the last one week, Kenya Roads Board released a list of inventory of roads that was shared and most of our roads were not mentioned in the list, we are doing a petition and a report to be able to clarify most of the issues that were raised. Hon. Chemion had mentioned issues around duplication of roads. Most of the time they will do the roads that we have already done; whether we have opened or it was done in the last financial year or the previous year. Keeping in mind that this basically periodic maintenance because as a county time and again we have not budgeted resources around periodic maintenance. We normally build and go to the next and as a department we have also been pushing for allocations towards periodic maintenance that is going to address most of the issues that have been mentioned.

Hon. Nyongesa reiterated on the issues around membership for KeRRA; indeed we are not members as a County Government; the Office of the Member of Parliament and CDF but the County Government is not part of that committee that decides most of these things.

Hon. Nganga raised the issue on inventory and categorization of roads; for purposes of inventory they normally do it periodically but as a county the last time we did ours was in 2018 and we haven't done inventory up to now because of scarce resources. Even the budget that we are currently implementing we had requested for some resources to do inventory because you realize even the programs we do under CEF projects which are supposed to be inventory before the final year ends.

There are 15 roads that need either periodic maintenance or routine maintained. Then from the 15 we pick 2 or 3 depending on the availability of resources. In this case we normally do on the backside. We decide to wait for the budget before we now go and do the inventory because we are working with limited resources.

KeRRA does the inventory but again they don't share the report with us and we don't know how they determine which roads they are going to do.

On categorization of roads, you will find that mostly KeNHA and KURA does class A, B and C mostly because of the resource allocation they get from the Roads Board under the roads maintenance levy fund. KeRRA does rural roads and there is a challenge on how these rural

roads are distributed between County and KeRRA. As noted by *Mheshimiwa* from Bumula the roads that KeRRA picks are quite longer and which to be maintained for some time. They are mostly 10-20 kilometres roads. We try as much as possible to work with them because KeRRA does class C, D, E and unclassified but again you find County government doing class D, E, F and unclassified roads. You will find that there is a clash on D, E and issues around unclassified roads. We have tried as much as possible to engage and that is why no objection letters and engagements really help us and the sharing of our work plans towards addressing these issues.

As mentioned by Hon. Ipara all these things are done based on priority. All roads in the County are in the purview of the County Government of Bungoma and all roads again KeNHA can do it, same to KeRRA and KURA based on priority. That is why you saw the issue around the dual roads because there is need for expansion of the road to cater for the traffic of Bungoma and also expand Bungoma. KenHA which is in charge of that road had no plans in the foreseeable future to expand that road. Therefore, as a County Government we took it as a priority to open our town by doing the dual carriage.

There was an issue as raised by Mheshimiwa from Bumula on 300 meters and allocation of Kshs. 20 million for KeRRA in this financial year. That is a different program because already they have allocated Kshs. 69 million per constituency. This is basically to do a road the one we are doing for Salmond-Khalaba where they are picking from Khalaba River as they go and the allocation for this financial year was only Kshs. 20 million for that specific road. Otherwise, those were the issues.

**Mr. Speaker:** Thank you. I think the CECM is done allow us to release him so that we do something else. Thank you Mr. CECM, you can leave at your own pleasure. Hon. Chemion before the CECM leaves please.

**Hon. Francis Chemion:** Thank you, Mr. Speaker. I think what we need to have been given records for us to make progress as a House. We need to invite the County Director of KeRRA to appear before the Committee on Roads first, and if the answer will not be satisfactory he can also be invited before the House. I think the Committee on Roads can invite the KeRRA Director so that we get to know the details.

**Mr. Speaker:** I will guide over the same because between now and adjournment of the House we have one week; as we do so be aware of one fact he cannot report to us directly and we cannot summon him rather invite him if possible. I will consult and see if we can invite him to share that knowledge because you cannot summon somebody who doesn't report to you, he reports to the national government in Nairobi. We will do some consultations and advice.

## MOTION

### REPORT BY THE PUBLIC ACCOUNTS AND INVESTMENTS COMMITTEE ON THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS OF

## **THE BUNGOMA COUNTY BURSARY FUND FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

**Hon. Timothy Chikati (Vice Chair PAIC):** Thank you, Hon. Speaker. I need to move a motion on Auditor General's report on the financial statements of the Bungoma County Bursary for the period ended 30<sup>th</sup> June 2021.

### **Committee Membership**

1. Hon Everton Nganga	Chairperson
2. Hon. Timothy Chikati	Vice Chairperson
3. Hon. Bernard Kikechi	Member
4. Hon. Everlyne Mutiembu	Member
5. Hon. Metrine Nangalama	Member
6. Hon. Stephen Kaiser	Member
7. Hon. Jerusa Aleu	Member
8. Hon. Anthony Lusenaka	Member
9. Hon. Violet Makhanu	Member
10. Hon. Alfred Mukhanya	Member
11. 11. Hon. John K. Wanyama	Member

Mr. Speaker, allow me skip the powers and guiding principles same as page 6 all the way to page 8.

### **COMMITTEE APPROACH AND METHODOLOGY**

The Public Accounts and Investments Committee in its consideration of the Bungoma County Education Support Scheme for the period ended 30th June, 2021 reviewed all the audit findings by the Office of the Auditor General that encompassed administration and implementation of the Bungoma County Education Support Scheme

The PAIC upon receiving the report from the House, planned for various sittings that prepared the action plan to process the report pursuant to the provisions of the Standing Orders. The Committee invited the Executive departments responsible for the Fund for preparation of responses which were forwarded to the office of the Auditor General for preparation of briefs and prosecution of the queries during the interrogations.

In the process, the Public Accounts and investments Committee experienced some challenges ranging from mismatch in the programs / work plan of the Committee vis a vis the program of the Auditor General which led to delays in ensuring timely completion and tabling of this report.

The Committee also had received this report as one of the spilled over business from the second County Assembly; which brought about huge back log to the Committee Business.

## **Procedure adopted**

With technical guidance from the Office of the Auditor General the Committee critically analysed both oral and written submissions from the Accounting Officers in charge of the department of Education and Vocational Training who appeared before it on 9<sup>th</sup> October, 2023 to respond to queries raised in the report of the OAG.

**Mr. Deputy Speaker:** What is it Hon. Hentry?

**Hon. Hentry Nyongesa:** Mr. Speaker, my memory is disturbing me and I want to inform the House that last week when we had a report from the Public Accounts and Investments Committee; the mover is looking at me curiously, last week when the motion was moved on the report on PAIC where the House had lengthy deliberations and from where you sit you directed that the report should go back to be amended in some areas. I don't know if it is different report or the same report? We need to be guided because we don't have this report on our gadgets.

**Mr. Deputy Speaker:** I want to believe that Honourable members, you have the same report on your gadgets because it has been circulated by the orderlies of the Assembly. What I can confirm is that this is a different report, therefore, the Hon. Chikati should carry own and I believe may be the gadget of Hon. Hentry check your connectivity of the gadget, so that you can be at the same level with the mover kindly. Meanwhile Hon. Chikati should proceed as Hon. Henry is helped to connect his gadget appropriately.

**Hon. Timothy Chikati:** Thank you, Mr. Speaker Sir, this report contains observations and recommendations which were arrived at by consensus through detailed and factual deliberations; taking cognizant of the fact that there is sufficient machinery within the County Executive to implement the recommendations contained in this report.

## **REPORT OF THE AUDITOR- GENERAL ON FINANCIAL STATEMENTS OF BUNGOMA COUNTY BURSARY FUND FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2021**

### **Variance between Financial Statements and the Ledger Balances**

The statement of financial statement performance reflects scholarships and other educational benefits of Kshs98, 884,441 and as disclosed under Note 2 of the financial statements.

The amount includes grants and transfers to national schools and secondary schools of Ksh23,716,667 and Kshs44,113,414 respectively, however supporting schedules supported an amount of Ksh28,695,336 and Kshs51,164,238 respectively; resulting into un-reconciled amounts of Ksh4,978,669 for national Schools and Kshs.7,050,824 for secondary schools.

#### **a. Management Response**

That, Note no. 2 of the Financial statements page 34 shows a disbursement of Kshs44,113, 414 to secondary schools and Ksh.23,716,667 to National Schools out of the total Ksh98,884,441 disbursed.

The Auditor General acknowledged the disbursement of Kshs28, 695,336 to National Schools and Kshs51, 164,238 to secondary schools leading to un- reconciled amount of Kshs4, 978,669 for National Schools and Kshs7, 050,824 for secondary Schools.

The un- reconciled amount was attributed to the Auditor General capturing acknowledgement disbursement of Kshs4, 978,669 and Ksh7, 050,824 for National Schools and Secondary Schools for the previous financial year resulting to over-statement.

**b. Oral submission by the Accounting Officer**

The CEC Member submitted that in the audit of 2019, the previous disbursement were omitted causing the variance of 4M and 7M whose corrective statement was not provided to the Committee.

The CEC Member stated that the OAG captured the previous year's financial statements and included it in the 2021 statements.

**c. Committee observations**

1. The Department provided acknowledgement letters for schools as summarized table below;

**SECONDARY SCHOOLS**

<b>NO.</b>	<b>DATES</b>	<b>INSTITUTION</b>	<b>CHEQUE NO.</b>	<b>AMOUNT IN SHILLINGS</b>
<b>1.</b>	20/05/2022	ST. CECILIA GIRLS' HIGH SCHOOL- MISIKHU	061157	990,000
<b>2.</b>	20/05/2022	ST. CECILIA GIRLS' HIGH SCHOOL- MISIKHU	061158	150,000
<b>3.</b>	20/05/2022	ST. CECILIA GIRLS' HIGH SCHOOL- MISIKHU	061065	85,000
<b>4.</b>	23/05/2022	CHWELE GIRLS HIGH SCHOOL	061155	990,000
<b>5.</b>	23/05/2022	CHWELE GIRLS HIGH SCHOOL	061066	105,000
<b>6.</b>	19/05/2022	NASOKOL GIRLS' SECONDARY SCHOOL	061148 AND 061198	200,000
<b>7.</b>	23/05/2022	KHASOKO	061301	210,000

		HIGH SCHOOL		
8.	23/05/2022	KHASOKO HIGH SCHOOL	061188	465,000
9.	17/05/2022	TEREMI HIGH SCHOOL	NOT PROVIDED	1,400,000
10.	20/05/2022	CHESAMIS HIGH SCHOOL	161185	905,000
11.	20/05/2022	NDIVIS GIRLS HIGH SCHOOL	061184	500,000
12.	22/01/2021	BUTULA BOYS' HIGH SCHOOL	041601,041602,041603,041604,041606,041607,041608,041609,041610,041611,041612	319,094
13.	22/01/2021	BUTULA BOYS' HIGH SCHOOL	041624,041625,041627,041628,041629,041630,041631,	238,986
14.	22/01/2021	BUTULA BOYS' HIGH SCHOOL	041613,041614,041615,041617,041618,041619,041620,041621,041622,041623	265,540
15.	16/02/2021	KABARNET HIGH SCHOOL	NOT PROVIDED	27,258
16.	24/09/2021	NYANG'ORI HIGH SCHOOL	NOT PROVIDED	180,000
17.	11/10/2021	NGIYA GIRLS HIGH SCHOOL	NOT PROVIDED	21,000
TOTAL				7,051,878

#### INSTITUTIONS OF HIGHER LEARNING

NO.	DATES	INSTITUTION	CHEQUE NUMBER	AMOUNT
1.	6/06/2021	BUKEMBE VOCATIONAL TRAINING COLLEGE	NOT PROVIDED	180,000
2.	14/4/2021	BUNGOMA TEACHERS' COLLEGE	047039	10000
3.	12/04/2021	KIBABII UNIVERSITY	047043	40000



<b>4.</b>	25/03/2021	<b>BUNGOMA DICECE</b>	<b>047046</b>	20000
<b>TOTAL</b>				250,000

1. The department did not provide a reconciliation of amounts of Ksh4, 978,669 for national Schools and Kshs7, 050,824 for secondary schools to help confirm the cut-off for the disbursement included in the financial year ended 30<sup>th</sup> June, 2021 carried forwarded from the financial year ended 30<sup>th</sup> June, 2020.

### **Committee's Recommendation**

1. The Accounting Officer did not prepare accurate financial statements as per the supporting transactions for the expenditures for the year under review. Without reconciliation for the variances between the actual expenditure and the supporting schedules, the accuracy of the financial statements cannot be confirmed. The Accounting Officer therefore failed to comply with the requirement to prepare accurate books of accounts as per section 42 PFM Regulations (County Governments) 2015, where he/she is responsible for the correctness of the financial statements.
2. The Accounting Officer should adjust the financial statements under prior year adjustments in the financial statements for the subsequent years in line with provisions of accounting policies under IPSAS 3 guidelines; with accurate reconciled supporting figures as observed herein. This violates the provisions of Standing Order No. 205 of the Bungoma County Assembly and Section 53 of the Public Audit Act which gives timelines on the action by the Accounting Officer on the action to implement the resolution of the parliament.

The Committee directs that the Accounting Officer reviews the financial statements for the year ended 30<sup>th</sup> June, 2023 to address these adjustments; aware that the same has been submitted but not audited.

The same should be submitted to the Office of the Auditor General by 30<sup>th</sup> October, 2023.

### **2.0 Unsupported Bursary and Scholarship Disbursements**

The statement of performance as disclosed in Note 2 reflects expenditure of Ksh98, 884,441 in respect to disbursements for the scholarships and other educational benefits to secondary schools, national schools, vocational training centers special institutions colleges and universities.

However the amount of Kshs98, 884, 441 includes transfer of Kshs23, 716,667 to national schools which further include an amount of Ksh1, 606,000 which was not supported by acknowledgment slips from recipient schools. Further the amount of Kshs98, 884, 441 includes disbursements of Kshs4, 087,000 to colleges which further include an amount of Kshs332, 000; which was not supported by acknowledgment slips from recipient colleges.

In addition, the amount of Kshs98, 884,441 includes disbursements of Kshs22, 010,000 to Vocational training centers which further include an amount of Kshs6, 400,000 which was not supported by acknowledgment slips from relevant institutions.

### **Management Response**

Of the total Kshs98, 884,441 disbursed, Ksh23, 716,667 was disbursed to National Schools which the Auditor General pointed out that Kshs1, 606,000 was not supported by the acknowledgment slips from the recipient schools.

The Department clarifies that at the time of audit, not all schools had submitted their acknowledgment slips. The Department received acknowledgment slips totaling to Kshs1, 606,000 from the schools that had not submitted when auditing was being carried out. Attached are samples of the acknowledgment slips from schools

Further, of the Kshs4, 087,000 disbursed to Colleges, Kshs332, 000 had not been supported by acknowledgment slips from recipient colleges. The Colleges have now submitted their acknowledgment of Kshs332, 000 as attached.

Lastly, of the Kshs22, 010,000 made to Vocational Training centers, Kshs6, 400,000 had not been acknowledged by the Department at the time of audit. Now the department is in receipt of acknowledgment slips of Kshs6, 400,000 disbursed to Vocational Training centers.

### **Oral submission by the Accounting Officer**

The County Executive Committee Member submitted as follows; that, by the time of audit, the acknowledgement slips of Kshs1, 606,000 had not been submitted to the office by the beneficiary institutions. That they were later on brought and the Committee was furnished with the same for verification. Further the CEC Member gave the breakdown of the disbursements as follows:

- I. Kshs1,606,000 for National Schools

II. Kshs332,000 for colleges and Secondary Schools and

III. Kshs6,400.000 for Vocational Training Colleges

The file containing the details was availed to the Committee for verification.

#### **Committee Observations**

1. The Department provided the amounts disbursed as Kshs17,548,000 which had only Kshs580,108 acknowledged; thus giving a variance of Kshs16,967,892
2. Out of the 1,606,000 disbursed to National schools during the period under audit, only Kshs80, 108 was acknowledged from the following schools, i.e.;

Friends School Kamusinga- Kshs27, 000

Alliance High School- Kshs26, 554; and

Maseno School- Kshs26, 554

#### **Table showing the breakdown of the disbursements:**

Institution	Un acknowledged disbursements (Kshs)	Acknowledgments provided(Kshs)	Variance(Kshs)
National Schools	1,606,000	80,108	1,525,892
Colleges	332,000	250,000	82,000
Vocational Training centers	15,610,000	250,000	15,360,000
Totals	17,548,000	580,108	16,967,892

#### **Committee's Recommendation**

With lack of sufficient supporting documentation for the funds disbursements amounting to Kshs16,967,892, the Committee finds the Accounting Officer liable for mis - appropriation of

the said funds and should therefore be surcharged as per the laid down procedures as under Article 226 (5) of the Constitution of Kenya, 2010;

*“ if the holder of a public including a political office directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, weather the person remains the holder of the office or not.”*

PFM 156 (2) provides that *“if the County Executive Committee Member for finance reasonably believes that an accounting officer has engaged in improper conduct within the meaning of the sub section (4) the County Executive Committee Member, the County Executive Committee for finance shall”-*

- a) Take appropriate measures to address the matter in accordance with laid down procedures or*
- b) Refer the matter to be dealt with in terms of the statutory and other conditions of employment applicable in that public officer*

#### **Unconfirmed Cash and Cash equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs13, 561,019 and as disclosed in Note 4 to the financial statements which relates to the Schemes Current Account. However, the bank reconciliation statement for the month of June, 2021 reflects payments in cashbook but not in bank statement of Kshs2, 528,741; which further includes stale cheques of Kshs835, 710 that had not been reversed in the cashbook as at the time of audit in September, 2022.

#### **Management response**

Note 4 indicates a cash and cash equivalent of Kshs13, 561,019 which the Auditor General observed that bank reconciliation statement for the Month of June, 2021 reflected payments in cashbook not in bank statement of Kshs2, 528,741; which further include stale cheques of Kshs835, 710 that had not been reversed in the cash book at the time of Audit in September, 2022.

The accurate cash and cash balance for the period is indicated in the updated financial statement as of June 30<sup>th</sup>, 2021. Further the updated bank reconciliation statement is indicated below.

#### **Oral submission by the Accounting Officer**

The Accounting Officer submitted that the information availed were handed over by his

predecessor and was not sure of the status of the stale cheques because they were not handed over.

### **Committee's Observations**

Article 226 (5) provides that;

*“ if the holder of a public office including a political office directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, **whether the person remains the holder of the office or not.** ”*

1. The Accounting Officer did not provide evidence of reversal of the stale cheques in the cashbook.
2. The Accounting Officer did not provide an extract of the cashbook and bank statements for the Committee to verify the cashbook balance against the bank reconciliation statement provided and the updated financial statements.
3. The Committee notes that audited financial statements cannot be updated unless rectified in subsequent financial years. The accuracy and completeness of the cash and cash equivalents balances for the year under review cannot be confirmed.

### **Committee's Recommendation**

1. The Accounting Officer should adjust the financial statements under prior year adjustments in the financial statements in the subsequent financial years; with the correct reconciled cash and cash equivalents in line with provisions of accounting policies under IPSAS 3 guidelines.

The Committee directs that the Accounting Officer should review the financial statements for the year ended 30<sup>th</sup> June, 2023 to address these adjustments; aware that the same has been submitted but not audited. The Accounting Officer should and resubmit the same to the Office of the Auditor General by 30<sup>th</sup> October, 2023.

3. The Accountants in the department should be capacity built on preparation of financial statements since there are glaring errors that the Committee noted.
4. The Accounting Officer should adhere to the provisions of Article 226(5) (c) and (d);  
*c) Take appropriate measures to address the matter in accordance with laid down procedures or*  
*d) Refer the matter to be dealt with in terms of the statutory and other conditions of employment applicable in that public officer*

#### **4.0 Inaccurate Comparative Balances**

The financial statements for the year ended 30<sup>th</sup> June, 2021 reflects Kshs165, 324,411 and Kshs5, 745,460 in respect to scholarships and other educational benefits and cash and cash equivalent comparative balances.

However, the audited financial statements for the year 2019/2020 reflect amounts of Kshs150, 861,337 and Kshs20, 226,634 respectively. The variance of Kshs14, 481,074 and Kshs14, 481,174 respectively were not explained or reconciled.

Further, although the statement of financial position indicates the balances for 2019/2020 were restated, no evidence was provided including restated financial statements to support the restatement.

#### **Management Response**

The financial statement for the year ended 30<sup>th</sup> June, 2021 reflects Kshs165, 342,411 and Kshs5, 745,460 in respect of scholarships and other educational benefits and cash and equivalents comparative balances.

However, the audited financial statement for 2019/20 reflects amounts of Kshs150, 861,337 and Kshs20, 226,634 respectively.

The variance of Kshs14, 481,074 and Kshs1, 481,174 respectively was not explained or reconciled. The Department noted the discrepancy and prepared its updated financial statements as at 30<sup>th</sup> June, 2021. Therefore the aforementioned variances have been rectified. Further, the statement of financial position indicates the balance for 2019/2020 was restated because of balancing of the financial statements.

#### **Committee's Observations**

1. No updated financial statements/reconciliation statements for the highlighted variances were provided to the Committee for verification; contrary to the submissions by the Accounting Officer.
2. The financial statement for the year ended 30<sup>th</sup> June, 2021 reflects balances which differ from prior year audited financial statements for the financial year ended 30<sup>th</sup> June, 2020 as observed by the Auditor General on the cash and cash equivalent comparative figures.

3. The financial statements are unreliable as the balances could not be accurately confirmed.

### **Committee's Recommendation**

The management should correct the financial Statements to reflect the correct reconciled book balances for the comparative figures as at 30<sup>th</sup> June, 2020. The Accounting Officer should adjust the financial statements under prior year adjustments in the subsequent year financial statements in line with provisions of accounting policies under IPSAS 3 guidelines. The Committee directs that the Accounting Officer should review the financial statements for the year ended 30<sup>th</sup> June, 2023 to address this adjustments aware that the same has been submitted but not audited; and resubmit the same to the Office of the Auditor General by 30<sup>th</sup> October, 2023.

Section 53 of the Public Audit Act, 2015 provides that;

*(1) The relevant Accounting Officer of a state organ or public entity shall within three months after Parliament has considered and made recommendations on the audit report—*

*(a) Take the relevant steps to implement the recommendations of parliament on the report of the Auditor-General; or*

*(b) Give explanations in writing to the Parliament on why the report has not been acted upon.*

*(2) Failure to comply with the provisions of subsection (1), the accounting officer shall be in contempt of Parliament or County Assembly and upon determination by Parliament or relevant County Assembly, Parliament or relevant County Assembly may recommend administrative sanctions such as removal as the Accounting Officer, reduction in rank among others.*

The Department should undertake trainings for its accountants to enhance effective administration of the Bungoma County Bursary Fund

### **5.0 Other matters; Budgetary Control and Performance**

The statement of comparison of Budget and actual amounts reflected budgeted expenditure of Kshs110 Million, while actual expenditure was Kshs102, 184,441; resulting to under expenditure of Kshs7, 815,559. The said under expenditure led to lack of value for money to the services expected by the people of Bungoma.



### **Management Response**

A statement of comparison of budget and actual amounts reflects budgeted expenditure of 110,000,000 while actual expenditure was 102,184,441 resulting in under expenditure of 7,815,559. That the under expenditure resulted from a compromise between cash basis reporting and actual basis reporting.

### **Oral submission**

The CEC member submitted that under expenditure was occasioned by the delays in exchequer releases which affect the reporting of the implementation status required by the accounting standards.

Further, the accounting officer stated that bursary and scholarship is different from other funds which are revolving. That the last disbursement for the Financial Year ended 30<sup>th</sup> June 2020 was received in the month of July at a time when the cash book was closed thus the status. That due to the cheque system of payments, some schools may not have cashed the cheques at the time of audit hence the reporting. That once account reconciliations have been done by the department and accurate expenditure status shall be reported.

### **Observations by the Committee**

1. The Bungoma County Education support scheme did not have an approved budget estimates for 110,000,000 in relation to funding from the County Government and expenditures therein
2. The underutilisation of 70,815,559 was occasioned by delay in disbursement from the exchequer.

### **Committee Recommendations**

The accounting officer should always ensure that there are budget estimates approved by the County Assembly on the Education support scheme as required by PFM Act 2023 section 149(g) and (h) which states, prepare strategic plan for the entity in conformity with the medium physical framework and Financial objectives of the County Government and also prepare estimates of an entity in conformity with the strategic plan referred to in paragraph (g) above.

### **Conclusion**

The County Government of Bungoma department of Education and Vocational Training should prioritise the devolved functions as provided under 4 of the constitution of Kenya which mandates the County to be in charge of the ECDE, VTC's, home craft centres and day-care facilities. This will prevent the departments from encountering audit queries. Attached is the adoption schedule signed by all the honourable members and also the annexures supporting the report.

At this juncture, allow me to call my Honourable Chair Hon. Everton Nganga to second the report.

**Mr. Deputy Speaker:** Very well Hon. Timothy Chikati.

*(Applause)*

Hon. Nganga, proceed!

**Hon. Everton Nganga:** Thank you, Honourable Speaker for giving me chance to second this report. First, I would like to thank Hon. Timothy Chikati who is the Vice Chair of this committee. He has read this report loud and eloquently for everybody to hear.

This report first relates to the year ending 30<sup>th</sup> June 2021. It was actually when you look at the recommendations here in the report you discover that actually in the department of Education there is a problem whereby the accountants in the department one, they are failing to prepare Financial Statements. This will enable the figures to balance well so you discover that actually there are current variances and they are also failing to make prior year adjustments where for those figures the auditor had flagged out that actually they were not actually considered in those statements.

You discover that 116,967,892 this amount the way we have recommended we have said that the officer in charge is culpable because this figure is not accompanied with the supporting documents and I would like to inform Honourable members especially the elected ones, we have to be encouraging one ,starting with the ward administrators and village administrators to be making sure that the acknowledgement receipts for the monies disbursed to various colleges, schools, even the vocational colleges that actually they should be taking back these acknowledgement receipts to the department before the auditor comes in to audit.

You know sometimes in some wards like for example in Chwele Kabuchai you may discover that those acknowledgement receipts were taken back to the department but other wards, it's not 100% so in case an auditor audits the books and he discovers that the monies were disbursed but there are no acknowledgement receipts that were taken back to the office then actually that amount that has not been accounted for will become an audit query so the officer is liable whether in the office or not, that officer is culpable.

The way we have recommended 16,967,892 and again we have also noted one thing that the fund administrators or the accountants in the education department have to be capacity built. You discover that an audit query is just recurring from one year to another which means these officers one, they are not preparing Financial statements, two they are not making sure that they make prior year adjustments. You make those prior year adjustments to make sure that the figure that was left out you begin with it as a balance brought forward so that one is also a problem and some lame excuses by the current officers maybe the current CECM and the current Fund administrator saying that they don't have the information because maybe their predecessor did not give them.

Those are lame excuses, this is public money actually it was expended and it has to meet the objective of these funds.

The issue of spending money where there is no budget or if there is a budget but some monies have not been properly used, this is an expenditure then it has also been flagged out here but let the executive be aware that any money spent they make such budgets in their own department that this money has to be spent but any money spent has to be brought to this House to be approved by the County Assembly. This report is a report that will stand the test of time and I urge Honourable members in the house to adopt the report, observations and recommendations therein so that we all oversight the executive because that is one of our mandates in this County Assembly in Bungoma County. Thank you. I second

*(Applause)*

**Mr. Deputy Speaker:** Very well. I was going to remind you of that Hon. Sifuna Nganga. Honourable members, I now stand to propose the same motion for debate to the House. Honourable members, the motion having been moved and duly seconded ably by Hon. Sifuna Nganga, I now propose that this House adopts the report by the Public Accounts and Investment committee on the Auditors General report on the Financial statements of the Bungoma County Bursary fund for the period ended 30<sup>th</sup> June 2021 laid on the table of the House on the 8<sup>th</sup> day November 2023. I propose

*(Question proposed)*

Hon. Joseph Juma, Leader of Majority!

**Hon. Joseph Nyongesa:** Thank you, Mr. Speaker. In fact I want to appreciate the committee for at least doing a good job. As you are aware though we have had a very hard day today but it won't hinder us from going through the report and when we see an anomaly at least we should try and flag it out so that next time thing should work well.

On this issue, because I am left wondering I was secretly consulting the Chair PAC and actually he has briefed me but not yet satisfied with it, may be the Chair who has read the report could justify.

On the issue of 110,000,000 because from the report they are saying the actual amount reflected which was budgeted for was 110,000,000 while the actual expenditure was 102 and through the management report they are saying due to some delays that is why that balance came late and which I think maybe it was mishandled. When you go down on the committees observations because up there they have said what was budgeted for was 110 but in their observation they are saying the Bungoma County Education Support scheme did not have an approved budget estimates of 110 so I am left wondering if what was budgeted for was 110 then why again should they say the Bungoma County Education support scheme did not have an approved Budget, I am left with some questions because approval is done wholesomely. I do not know this 110 was budgeted for but not approved. In the committee recommendations, they are saying the accounting officer should always ensure that there are budget estimates approved by the County Assembly.

We have approved Budgets in this House, I do not know if we normally approve minus some departments, am left wondering, otherwise we support the report but that observation and recommendation may not trigger well to the Auditor General. I support and the chair maybe is now being given some tips could clarify so that at least we move. Thank you

*(Applause)*

**Mr. Deputy Speaker:** Thank you, our Leader of Majority Hon. Joseph Nyongesa. Hon. Masai Chemion!

**Hon. Francis Chemion:** Thank you, Mr. Speaker. From what we have heard Hon. Chitekei and the seconder especially who has said honourable members should ensure that the Ward Administrator and those people who are in charge of bursaries at the ward level ensure that they get a document from schools. The buck stops with the Chief Officer and the CEC. Ours as Honourable members is just to oversight to ensure we have allocated budget, implementation bit is done by the executive and they must ensure that they account for all the monies that have been taken to that department so for this case all the bursary monies that were allocated towards the accounting officer must... it his prerogative to ensure he accounts for all the coins up to and including looking for those receipts, acknowledgement letters from institutions.

It's not the work of Honourable members. Ours is budgeting then we will oversight. If we give ourselves that duty then we will be implementing then the blame will come squarely to us again. Ours for example this Financial Year we allocated 3,000,000. It's now the duty of the executive to even train the ward bursary committee and the ward administrators and village administrators on how to implement whatever they want implemented. Otherwise, thank you very much; the report is okay, its addressing the real issues that are happening in our wards. Thank you.

**Mr. Deputy Speaker:** Thank you, Hon. Masai. Hon. Johnston Ipara,

**Hon. Johnston Ipara:** Thank you, Hon. Speaker. I know you love that name so much. Honourable Speaker, for the first time allow me to laud the PAC committee for presenting a good report though with a few corrections.

To begin with, I want to begin from where the majority Leader stopped. You cannot say at the same time that an amount was available and at the same time you say it was not budgeted and I believe budgeting is not a responsibility of the department. It is a responsibility that is done by this Assembly. Assembly approves annual budgets for all departments across the County so that was a responsibility and in this case I wanted to request that that part which states that the budget estimates had not been approved is misplaced and it needs to be expunched from this report in good faith because we need good records that can be referred in times to come during the times of our sons and daughters and the time of others when we shall not be around to refer them where this things are..

The bursary in the wards is co-ordinated and managed by Bursary committees which are officially appointed by the CEC Education and they are the people who act on behalf of the department in the wards. They are the ones who know where this particular schools and the students who are beneficiaries and if there is any link does he qualify it and in position to ensure that acknowledgement letters are remitted to the department headquarters is those bursary committees. Therefore saying that the elected members should or should not involve themselves is also misplaced because I know our role as elected members we are to do oversight and when you are reduced to be a messenger of assisting the CECM and her team I think that Hon. Chikati you make sure that is corrected and the honourable members remain Honourable.

For the first time this committee has made persuading recommendations that a person who assisted or refused through ignorance or negligence should be surcharged.

I think that is the way to go. If we want to correct things in the morning the majority is saying that we were somewhere where we got so tired where we were taken round and round and I was wondering if these things are allowed to go the way they are in the next two years a debt that was 1.1billion and within 7 months it has accrued and today as we left where we were it was 4.4 not forgetting Hon. Deputy Speaker we were with you somewhere and we were told our pending bills as of that time were 3.5 so you can see how those bills are rocketing and with such recommendations we shall deter and give ways on how they are punished and we shall warn people that this County Assembly is not a place where people come around to play with us . I support

*(Applause)*

**Mr. Deputy Speaker:** Thank you, Hon. Okasida. Let me call the mover of the motion to reply to issues raised by Honourable members. Hon. Chitekei!

**Hon. Timothy Chikati:** Thank you, Hon. Speaker. Allow me to thank the Majority Leader Hon. Chemion and Okasida for their input in this report. For Hon. Majority Leader, Hon. Nyongesa, the 110,000,000 that was budgeted for and the actual expenditure which was 102,184,441 that one we got it from the executive response which was bringing up a variance of 7,000,000 and that is why we had to capture that and I hope the way he started saying the Honourable Chair had explained it to you so I think you got more insight than what I have to give you.

For Hon. Chemion, that is just encouragement we do appreciate about...it's not and also in tandem with what Hon. Okasida is talking about. It's not about the work of the Honourable MCA's to request for the acknowledgment receipts from various institutions but it's the work of the department and that is what we have captured in our report but our job is just to push them but it's not our work to go and ask for acknowledgement receipts and that's well captured in that report.

I do not want to labour much; it has been a long day Honourable Majority Leader has said. I know Honourable members have gone without lunch that is why they are looking so tired .I request them to adopt the report the way it is.

*(Applause)*

**Mr. Deputy Speaker:** Very well Hon. Chitekei, your submission, replies...Honourable members, I now rise to put a question that this House adopts the report by the Public Accounts and Investments committee on the Auditor's General report on the Financial Statements of the Bungoma County Bursary Fund for the period ended 30<sup>th</sup> June 2021 laid on the table of the House on the 8<sup>th</sup> day November 2023.

*(Question put and agreed to)*

The ayes have it and the report is adopted

*(Applause)*

Our table clerks will disseminate the information and requirements to the relevant offices for action.

**REPORT BY THE SECTORAL COMMITTEE ON FINANCE AND ECONOMIC  
PLANNING ON THE BUNGOMA COUNTY REVENUE FUND STATEMENT  
FINANCIAL YEAR 2022/2023 FOR THE PERIOD ENDED JUNE 30<sup>TH</sup> 2023**

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

**Hon. Francis Chemion:** Thank you, very much Mr. Speaker. I can see Hon. Nangalama is very happy today. I have a report of the committee on finance and economic planning on the Bungoma County Revenue Fund statement FY 2022/2023 for the period ended June 30<sup>th</sup> 2023 in respect to the department of Finance and Economic Planning

**Preface**

Article 207 Of the Constitution of Kenya 2010, provides for the establishment of a County Revenue Fund which shall be paid all money raised or received by or on behalf of the County Government. Section 109 of the Public Finance Management (PFM) Act, 2012 gives the County Treasury a responsibility to administer the County Revenue Fund. Section 167 of the PFMA requires the CECM for Finance and Economic Planning to prepare financial statements for County Revenue Fund established in the form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and copies to the Commission on Revenue Allocation and the Controller of Budget.

The Revenue Fund statements FY 2022/2023 for the period ended June 30<sup>th</sup> June 2023 was received and tabled in this House on 3<sup>rd</sup> October 2023 and committed to the Committee on Finance and Economic Planning for processing.

## **Establishment and functions of the Committee**

Honourable Speaker, I will not read the functions because they are clearly stated under Standing Order 217

## **The mandate of the Committee**

The mandate of the committee is also clearly stated in the Standing Orders, the second schedule of Bungoma County Standing Orders.

## **Committee Membership**

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

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

## **Acknowledgements**

I take this opportunity to express my gratitude to the members of the committee for dedicating their time to process the County Revenue Fund statements for fy 2022/ 2023. The committee also appreciates members of the secretariat who worked with us for their unwavering commitment.

Lastly, the committee is grateful to the offices of the Speaker and Clerk of the County Assembly of Bungoma for the support received during the processing of this report.

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

Signed by **Hon. James Barasa Mukhongo Chairperson, Committee on Finance and Economic Planning**

## **2.1 Examination of Bungoma county revenue fund statements FY 2022/2023 for period ended June 30<sup>th</sup> 2023.**



### 2.1.1 Financial performance

During the financial year 2022/2023, the county had budgeted to receive Kshs. 14,824,204,142 of which Kshs. 13,477,355,758 was exchequer release from the national Government through CARA and Kshs. 1,347,382,860 as own source revenue. As at 30<sup>th</sup> June the county had received Kshs. 10,916,197,511 (pg. 14) from National Government representing 81% of the expected. Own source revenue received was Kshs. 348,127,234 representing 26% of budget.

Kshs. 906,051,991 was received in Quarter 1, Kshs. 2,611,561,622 in Quarter 2, Kshs. 1,863,607,559 in quarter 3 and Kshs. 5,534,976,339 in quarter 4.

Included in the Exchequer release of Kshs. 10,916,197,511 is Kshs. 167,273,890 from National Agricultural and Rural Inclusive Growth Project (NARIGP), Kshs. 5,344,642 from Agricultural Sector Development Support Programme II (ASDSP), Kshs. 28,609,313 from DANIDA, Kshs. 3,534,474 from Kenya Urban Support program, Kshs. 30m from World Bank for Kenya informal settlement improvement and Kshs. 22m from IDA World Bank Credit Financing locally led climate program (FFLoCA). Total amount expected from donations and grants was Kshs. 1,657,206,137 but as at 30<sup>th</sup> June, only Kshs. 256,762,319 had been received (15%).

### 2.1.2 Budget performance Vs. actual

Revenue classification	Revenue budget	Actual realized	% realization
CARA	13,477,355,758	10,916,197,511	81%
Own generated	1,347,382,860	348,127,234	26%
Return to CRF		1,111,963	
<b>Total</b>	<b>14,824,738,618</b>	<b>11,265,436,708</b>	<b>76%</b>

### 2.1.3 Statement of receipts and payments for the period ended 30<sup>th</sup> June 2023

	Period ended June 2023 Kshs.	Comparative period June 2022 Kshs.
<b>Receipts</b>		
Exchequer releases	10,916,197,511	10,659,435,192
Own source revenue	348,127,234	359,292,947
Return to CRF Issues	1,111,963	1,836,702
<b>Total receipts</b>	<b>11,265,436,708</b>	<b>11,250,654,869</b>
<b>Payments</b>		
Transfer to County Executive	10,637,250,104	9,651,301,605
Transfer to county Assembly	1,256,268,326	962,742,192
<b>Total Payments</b>	<b>11,893,518,430</b>	<b>10,614,043,797</b>

<b>Net increase (decrease ) in cash for the year</b>	(628,081,722)	636,611,072
Add opening balance b/f	867,288,525	230,677,452
<b>Closing fund balance for the period</b>	<b>239,206,802</b>	<b>867,288,524</b>

### Own source revenue

Other sources of funds are the Local revenues and Appropriation in Aid (AIA). The county budgeted to receive Kshs. 1,347,382,860 representing 9% of total budget. Out of the budget figure, Kshs. 847,382,860 was from AIA while Kshs.500m was expected from own source revenue. Actual amount of money received by the county as at 30<sup>th</sup> June 2023 from local revenue sources was Kshs. 348,127,234 which is 70% of total expected.

AiA expected from health facilities was Kshs. 665,486,021, the balance of Kshs. 181,896,839 was expected from other sources e.g. Mabanga ATC, vocational training fees, Chwele fish farm etc. Cash collected from Health facilities is not transferred to CRF, it is spent at source

The report does not give revenue collected from other facilities like Mabanga ATC, County Vocational Training Centres, Chwele Fish farm etc.

National Government revenue continues to form the largest part of County Government budget contributing 91% while locally generated revenues constitute 9% of the budget. The key local revenue sources for the county include business permits, land rates, cess, market fees, parking fees, Administration service fees and public health facilities represented as follows;

### Own source revenue collected

Description	Period ended 30 <sup>th</sup> June 2023	Comparative period 2022
Cess	44,579,724	41,302,577
Land/Poll rates	30,529,676	21,379,076
Single/Business permit	86,987,195	89,932,428
Property rent	6,389,879	15,749,535
Market fees	69,049,416	72,436,640
Parking fees	25,791,860	44,005,092
Advertising	13,185,001	21,331,893
Public health services	1,707,960	5,540,632
Physical planning and development	3,548,647	11,488,211
Hire of County property	408,000	317,703
Conservancy Administration	4,069,567	11,852,405
Administration control fees	11,733,039	25,016,044
Other fines ,penalties, forfeitures	371,980	385,725
Miscellaneous	49,775,295	554,987
<b>Total</b>	<b>348,127,234</b>	<b>359,292,947</b>

### 2.1.5 Transfers to County Executive from County Revenue fund

	Period ended March 2023	Comparative period 2022
	Kshs.	Kshs.
Recurrent Account	8,085,472,872	7,710,680,839
Development Account	2,321,022,830	1,642,117,708
Special purpose Account	230,754,402	298,503,058
<b>Total</b>	<b>10,637,250,104</b>	<b>9,651,301,605</b>

Out of the total amount received by the County Government into the County Revenue Fund Account, Kshs. 10,637,250,104 was transferred to Executive while Kshs. 1,256,268,326 was transferred to the County Assembly.

Of the Kshs. 10,637,250,104 transferred to the executive in the period, Kshs. 8,085,472,872 relates to recurrent expenditure, Kshs. 2,321,022,830 relates to development and Kshs. 230,754,402 for special purpose account.

Of the Kshs. 1,256,268,326 transferred from CRF to the county Assembly during the period, Kshs. 1,187,556,988 relates to recurrent expenditure while Kshs. 68,711,338 m relates to development expenditure

### Committee observations and recommendations

#### Observations

1. The report does not give the amount of money collected from AIA (Mabanga ATC, vocational training centres, Chwele fish farm etc. ).
2. Total amount expected from donations and grants was Kshs. 1,657,206,137 yet only Kshs. 256,762,319 had been received (15%).
3. That according to the ADP 2024/2025,
  - i. Own source revenue collected was Kshs. 379,716,358 but from the report, only Kshs. 348,127,234 stated in the revenue fund report leaving a balance of Kshs. 31,589,124.
  - ii. Kshs. 677,508,763 was received from grants from National Government and Development partners and not Kshs. 256,762,319 transferred to CRF as stated in the report, a difference of Kshs. 420,746,444.

The table from ADP provides an analysis of amounts realized from the various revenue streams against the Attendant targets.

No.	Revenue Source	Target Amount	Actual Amount Realized	Remarks (% realized)
-----	----------------	---------------	------------------------	----------------------

1	Equitable Share b/f	867,288,525	867,288,525	100%
2	Equitable Share	10,659,435,192	10,659,435,192	100%
3	Local Revenue	500,000,000	379,716,358	75.9
4	Grants National Government	113,228,200	113,390,217	100.14
5	AIA	847,382,860	797,606,548	94
6	Conditional Grants development partners	1,543,977,937	564,218,546	36.5
7	Retention	293,425,903	284,656,453	97%
	<b>Total</b>	<b>14,824,738,617</b>	<b>13,666,311,839</b>	<b>92.20%</b>

### Recommendations

1. **That** CECM-Finance should follow up and have all money collected on behalf of the county banked in the county revenue fund as per requirement of the Article 207 of the constitution of Kenya and PFMA 2012 section 109 which states that-
  - 1) *There is established, for each county a County Revenue Fund in accordance with Article 207 of the Constitution.*
  - 2) *The County Treasury for each county government shall ensure that all money raised or received by or on behalf of the county government is paid into the County Revenue Fund, except money that—*
    - a) *Is excluded from payment into that Fund because of a provision of this Act or another Act of Parliament, and is payable into another county public fund established for a specific purpose;*
2. **That** the CECM Finance should report to the committee compliance to the PFM Act, 2012 in relation to AIA not transferred to CRF within 30 days after the adoption of the report
3. **That** the department of Finance and Economic Planning should on receipt of the adopted report explain to the committee the understatement of
  - (i) own source revenue by Kshs. 31,589,124
  - (ii) Proceeds from domestic and foreign grants by Kshs. 420,746,444
4. **That** the department should ensure that all sectors comply with donor requirements in order to fully received money budgeted

All members signed the report led by the chair of the committee. We have the two annexures Adoption minutes and Revenue fund financial statements report for period ending 30<sup>th</sup> June 2023.

I now want to take this opportunity to request CPA Hon. Everton Nganga to second this report.

**Mr. Deputy Speaker:** Thank you, Hon. Masai Chemion

*(Applause)*

Now we call upon the Hon. Sifuna Nganga CPA to second the same.

**Hon. Everton Nganga:** Thank you, Hon. Speaker for giving me a chance to second this report. First, I would like to applaud Hon. Chemion for taking us through this report. Actually it is a report with a pool of figures. He has been pronouncing figures millions and billions; he has done it very well and eloquently. This report on receivers of revenue Members should get that the county government only receives funds from the National Treasury and the other funds from the local generated revenue and from their recommendations. First recommendation, we have seen that the CECM Finance should be making sure that all the monies collected should be remitted to one County Fund Act 2017 and PFM Act section 109.

He said that fast the monies collected, the documents or the financial statements are always submitted for authentication or for confirmation or for verification by the Office of the Auditor General. Let us understand that if the monies are not channelled to one fund. Money if collected locally, not channelled to one fund, it means the County government of Bungoma will not meet the targets set. They always come up with the targets to be collected and from those targets the county government also come up with a budget to budget.

The money from the National Government plus the local revenue, then you budget on the activities that the county government is supposed to undertake. So if these moneys are not channelled to one fund then it means the county government will fail. Again, the County Government should make sure that they seal the loopholes, currently the County Government is not performing well. We target a higher figure but at the end of everything what is normally collected as the actual figure is normally lower.

If we collect a lot of money from our own sources, then the county government will be in a position to employ but if we don't collect more money then how are we going to employ, it will be hard again. If we collect enough money the next Exchequer in the next financial releases from the Treasury they will be increased. So low collection has a negative impact and this report I am very much dogmatic and I am sure this is a very good oversight. Let this report be taken into county executive, let them go through and actually let them implement what you have recommended here as our recommendations.

I second the report and urge all Honourable members to adopt with its recommendations they are in.

**Mr. Deputy Speaker:** Thank you, Hon. Everton Nganga. You know Hon. Sifuna Nganga there is a lot in a name. I now propose to the House that this House adopts the report by the Sectoral Committee on Finance and economic planning on the Bungoma County Revenue

Fund statement financial year 2022/ 2023 for the period ended 30<sup>th</sup> of June 2023 laid on the table of the House on the 22nd day November 2023. I propose

*(Question proposed)*

Our Leader of Majority the Hon. Joseph Juma Nyongesa

**Hon. Joseph Juma:** Thank you, Hon. Speaker. I am impressed with this report and I want to applaud my brother Hon. Chemion for taking us through. It is a good report but what is coming up openly is that that as much as the department is being well funded and well equipped. The department is sleeping on its job. My observation, the report does not given for amount of money collected from AiA in Mabanga ATC, Vocational training centres, Chwele fish farms etc. Which means we have a lot of other sectors which are not also remitting, so the purpose of now being Finance department And if they are just there yet Mabanga is getting from the equitable share, but they are not remitting. If you compare with the health department in all department is dealing with sick people who are vulnerable and they are contributing they are remitting AiA but they are compared with issues in Mabanga and again he chair is now present. The committee is now questioning the CEC to ensure that after passing this within 30 days the CEC should ensure that she will give reasons to as why.

The committee should to tell this House what happened in Mabanga ATC and vocational centres because they had time to interrogate to see why they are not remitting. As we question the executive even the committee should also because the immediate oversight for that department is the Committee on Planning. So as I support and let them also wake up.

**Hon. Johnston Ipara:** Hon. Speaker, this one is by coincidence that I speak every time after the Majority Leader is done. It is based on just how things come by themselves. Let me first of all begin by thanking the presenter who moved the report systematically and saying every item in a way that everybody was able to catch up.

I am happy for this committee for making sure that at least you inform the honourable House of where we get the money and which money is available for appropriation. This morning, while we were attending a meeting, intentionally, the CEC Finance decided to meet a very important source of where we get our own revenue and I am happy the mover of this report, clearly stated on Item three, it informs us the actual amount realised during the period in under review was 379,000,716 358, which is 75.9%. That is a pass but the CEC intentionally refused to inform the Honourable members where this money is placed in the presentation that he made in the morning. And that is a serious omission and commission, because he was asking a question, where do you expect me to get money? And it is, it is answered by his own chair. So I want to believe that next time when he appears before them, he should restrain himself and make sure he tells the Honourable members the truth nothing but the truth.

Appropriation in Aid is simply this one is also another own source of revenue And when you added the two items you get one around 1.1 billion, this is the money that was removed from respective departments, purporting that this there was no other source for the county government to get money.

Appropriation in Aid should form next item of the next discussion between you and the CEC because actually, we should not be taken for granted and was wondering if this is the trend and if this is the way things are going to take place within our county in the next two years, we shall be grounding this county because I am saying this. When we came in during the first supplementary we were told the pending bills was 1.1Billion.

Beginning this financial year, we were told the pending bills have increased to about 3.5 billion and in the document that was presented to us today. The pending bill was 4.4billion. The questions to ask is are we really patriots of this county? And if we love this county, where are we taking the county. I am saying this with a lot of pain because just a public officer intentionally omits two important sources of our revenue and he purports that we are in a debt lock zone and the zone where it says that we are about to collapse or we will not be able to perform.

I want my friend Hon. Mukhongo to discuss with the CEC make him make him understand that we are much concerned and our patience is running out and the reason we are saying this is this. Why do you say Mabanga which is just about 10 kilometres away from the County headquarters was unable to account for what they collected for the period under review? The second one Chwele fish farm, which we spend a lot of money and our investment in Chwele is in terms of millions of shillings. These two particular institutions they are not able to declare their AiA that was collected under the period. We are being deceived, blindfolded and not accept this as an oversight House. I want to support this report with a lot of reservation because this honourable house is being taken for granted.

*(Applause)*

**Mr. Deputy Speaker:** Thank you, Hon. Okasida Ipara Johnston. May I now call upon the mover to have his time to reply?

**Hon. Francis Chemion:** Thank you, Hon. Speaker. I am not replying as the CEC finance that is a disclaimer. We are reporting to the House, in terms of the Appropriation in Aid, as a committee, we have pinned down the executive. In fact, in the near future, I don't want to pre-empt we are inviting all the revenue receivers, they are going to appear before the committee so that we whether the targets that they have been given. We have set targets for the all the revenue receivers in our county. We want to hear from them whether they are going to raise the money targeted in the areas or not.

Health Department spend some money at source as power Finance Act. You remember we passed the Finance Act that gives them powers to do so but they should just give us information so that we know how much was raised. For purposes of information, we know they are raising it and spending it at source but for purposes of information of the House, we need to know to get how much are rising from that area and all those other areas that we expect AiA.



We are also elapsed Honourable members. We didn't have laws governing collection of this AiA we had a problem and that is why we are...

**Mr. Deputy Speaker:** Hon. Masai, I think the Act does not give finance authority to spend at the source but I think the health one is the one that gives authority to spend that source. So it...

**Hon. Francis Chemion:** It is the health one,

**Mr. Deputy Speaker:** Thank you, very well.

**Hon. Francis Chemion:** So those laws that we have been passing in this County Assembly will be able to help this county to raise the revenues and for your information you heard, we have so many regulations that we need to pass to operationalize those acts that we passed, so that we're able to raise the revenue.

We have demonstrated to the House that the executive was not able to tell us where the 400 and something million that we wanted that information on it and we have given them 30 days. So we are doing our work as a committee. We have identified the issue, we have given them 30 days to come before us and explain where that money is or why they dispersed.

The own source revenue came down by some millions and compared to during the time of Corona, we raised a lot of money imagine during Corona time if you look at the revenue. The last financial year it came down, but strategies have been put in place we hope that the economy improves and we get as much revenue as possible. Otherwise, I don't want to take much of our time and I want to beseech you that we pass this report so that we help our county Move ahead.

*(Applause)*

**Mr. Deputy Speaker:** Thank you, Hon. Chemion. Honourable members, a Motion having been moved, duly seconded, debate having ensued and reply given the mover I now rise to put a question to the House that this house adopts the report by the Sectoral Committee on Finance and Economic Planning on the Bungoma County Revenue Fund statement financial year 2022/2023 for the period ended June 30<sup>th</sup> 2023, laid on the table of the house on the 22nd day November 2023.

*(Question put and agreed to)*

*(Applause)*

*(Laughter)*

The eyes have it. The report is adopted and as you heard; my mother the Hon. Metrine Nangalama was very audible supporting the report.

Next item,

## **ADJOURNMENT**

**Mr. Deputy Speaker:** Honourable Members. That has been our last item on the order. I want to thank you so much. The day has been busy, but you've sat through. May God bless you as we end the day in style, so we adjourn for today? We resume our next sitting tomorrow, which is Wednesday. 9:30a.m. We adjourn.

*(House Adjourns)*