

COUNTY GOVERNMENT OF BUNGOMA

COUNTY ASSEMBLY OF BUNGOMA

COUNTY ASSEMBLY DEBATES

THE DAILY HANSARD

WEDNESDAY, 3RD JULY, 2024

Morning Sitting

3rd County Assembly

3rd Session

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COUNTY ASSEMBLY OF BUNGOMA

THE DAILY HANSARD

WEDNESDAY, 3RD JULY, 2024

The House met at the County Assembly Chamber at 9:30 a.m.

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

PRAYER

COMMUNICATION FROM THE CHAIR

ALTERATION OF THE ORDER PAPER

Mr. Speaker: Hon. Members, I wish to readjust the Order Paper. The item that is appearing under item number seven; statements, and we were expecting a response to the statement sought by Hon. Johnston Ipara, MCA for Tongaren Ward, from the Ministry or Department of Tourism, Water, Environment, Natural Resources.

It will be taken out of today's Order Paper to allow the new CEC to acquaint himself with the relevant information, and appear before this house at appropriate time to respond because we are all aware that he's hardly one week old in that office, and asking him to come and give response sought one month ago could be very difficult for him. So we'll be able to schedule the same.

Hon. Members, take up your seats.

(Hon. Members standing at the door take their seats)

DISCHARGE OF A MEMBER FROM A COMMITTEE

The second communication is from the Majority Whip; a discharge of a member from a committee.

Hon. Members, the above matter refers. Reference is made to Standing Order number 178 (1)(a). Hon. Stephen Wamalwa has been discharged from the committee of Public Administration and ICT and replaced by Honourable Johnston Okasida Ipara. Thanks in advance for your understanding and cooperation in this matter.

The said change is signed by Hon. Meshack Museveni, Majority Whip. The said changes takes effect immediately meaning the PCA concerned should communicate the same to the other committee members, and equally to the accounts department of the changes as forwarded to this office of the speaker by the majority whip accordingly.

PAPERS

REPORT BY THE SECTORAL COMMITTEE ON LANDS, URBAN, PHYSICAL PLANNING AND HOUSING, ON TEN LOCAL PHYSICAL AND LAND USE DEVELOPMENT PLANS, IN RESPECT TO THE DEPARTMENT OF LANDS, URBAN, PHYSICAL PLANNING, HOUSING AND MUNICIPALITIES.

Mr. Speaker: Hon. George Makari, proceed!

Hon. George Makari: Thank you, Mr. Speaker. I am standing in for the Hon. Chair of the committee and I rise to table a report by the Sectoral Committee on Lands, Urban, Physical Planning and Housing, on ten local physical and land use development plans, in respect to the department of Lands, Urban, Physical Planning, Housing and Municipalities.

(Hon. George Makari tables the paper)

Mr. Speaker: Hon. Members, the report by the sector Committee on Lands, Urban, Physical Planning, and Housing, on the ten local and physical use development plans, in respect to the department of Lands, Urban, Physical Planning, Housing and Municipalities, has been newly tabled and now the same, now belongs to the house accordingly.

REPORT BY THE CIVIL SOCIETY FORUM, BCSF, OF THE CITIZEN-LED SURVEY ON OWN-SOURCE REVENUE IN BUNGOMA COUNTY, 2024

Mr. Speaker: Hon. Majority Leader, proceed!

Hon. Joseph Nyongesa: Thank you, Mr. Speaker. I stand to table the report by the Bungoma civil society forum (BCSF), on the citizen-led survey on our own-source revenue in Bungoma County, 2024.

(Hon. Joseph Nyongesa tables the paper)

Mr. Speaker: Hon. Members, the report by the Bungoma civil society Forum (BCSF), on the citizens-led survey on own-source of revenue in Bungoma County, 2024. The same is hereby tabled, and subsequently committed to the committee of Finance and Economic Planning for processing and reporting back to the house accordingly.

NOTICES OF MOTION

REPORT BY THE SECTORAL COMMITTEE ON LANDS, URBAN, PHYSICAL PLANNING, AND HOUSING, ON 10 LOCAL PHYSICAL AND LAND USE DEVELOPMENT PLANS, IN RESPECT TO THE DEPARTMENT OF LANDS, URBAN, PHYSICAL PLANNING, HOUSING, AND MUNICIPALITIES

Mr. Speaker: Hon. Makari, proceed and issue a notice!

Hon. George Makari: Thank you, Hon. Speaker. I rise to issue a notice of motion that this house adopts the report by the sectoral Committee on Lands, Urban, Physical planning, and

Housing on 10 local physical and land use development plans, in respect to the Department of Lands, Urban, Physical Planning, Housing and Municipalities.

Mr. Speaker: Hon. Members, the sector Committee on Lands, Urban, Physical Planning, and Housing, having duly issued a notice of motion on the aforesaid report that has been tabled; I do urge the table clerks to share this report with the Hon. MCAs. The same will be coming up on our Other Paper, as a motion in the course of the week, or once the same is scheduled on the Order paper, by the HBC accordingly.

MOTION

REPORT BY THE SECTORAL COMMITTEE ON TRADE, ENERGY, AND INDUSTRIALIZATION, ON THE FOURTH QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH JUNE, 2023

Mr. Speaker: Yes, Hon. Waiti Wafula, on behalf of the committee, Proceed!

Hon. Wafula Waiti: Thank you, Hon. Speaker. On behalf of the chairman for the Committee on Trade, Energy, and Industrialization, I stand here to read a report on the Fourth Quarter Financial Statements for the period ended 30th June, 2023.

I seek for your permission to skip page three, as it clearly indicates the mandate of the committee, as it is derived from Standing Order number 217 (5). I start on page four, on the committee membership.

Committee Membership

The following is the committee membership as currently constituted;

1. Hon. John K Wanyama	Vice chairperson
2. Hon. Wafula Waiti	Member
3. Hon. Kimeta Polycarp	Member
4. Hon. Bernard Kikechi	Member
5. Hon. Alfred Mukhanya	Member
6. Hon. Metrine Nangalama	Member
7. Hon. Alice Kibaba	Member
8. Hon. Brigid Katasi	Member
9. Hon. Angeline Rugut	Member
10. Hon. Linda Kharakha	Member
11. Hon. Aggrey Bosire	Member
12. Hon. Florence Juma	Member
13. Hon. Godfrey Mukhwana	Member
14. Hon. Charles Nangulu	Member
15. Hon. Joan Kiron'g	Member

Guiding principles in the Examination of the Bungoma County Government Quarterly Reports and Financial statements

In the execution of its mandate, the Committee on Trade, Energy & Industrialization is given a legal backing under the Constitution of Kenya 2010, Public Finance Management Act, 2012, and County Governments Act, 2012. These statutory provisions include:

1. Constitutional Principles on Public Finance

Article 201 of the Constitution of Kenya, 2010 enacts fundamental principles that “*...shall guide all aspects of public finance in the Republic...*” These principles include, *inter alia*, that: **201(a)** *there shall be openness and accountability, including public participation in financial matters;* **201(d)** *Public money shall be used in a prudent and responsible way; and* **201(e)** *financial management shall be responsible, and fiscal reporting shall be clear.*

Section 149(1) (a) and (b) of the PFM Act 2012 provides as follows... ”*an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is;*

- a) *Lawful and authorized*
- b) *Effective, efficient, economical and transparent*

2. Direct Personal Liability

Article 226(5) of the Constitution of Kenya, 2010 is emphatic 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*”.

3. Obligations of Accounting Officers

The Public Finance Management Act, 2012 section 166 states as follows;

1. *An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.*
2. *In preparing a quarterly report for a county government entity, the accounting officer*

Mr. Speaker: Let me just confirm one thing from Hon. Tony. What is the issue?

Hon. Tony Barasa: Hon. Speaker, Its worrying and I just need maybe to get some clarification on 1.2, committee membership.

It's worrying that this committee has no chair. It has the vice-chair and the membership. I would like just to get some clarity. Do we have the chairperson and if yes, where is he placed?

Mr. Speaker: Hon. Waiti, it's an issue I looked at and you need to address because I have seen on the forwarding, there is a chair but membership there's no Chair, adoption the chair has surfaced. So, what is the issue?

Hon. Wafula Waiti: Thank you, Mr. Speaker. As at the time of this report, as at the time of this report, the majority party had discharged.

Mr. Speaker: Hon. Waiti, be very careful, because the membership is 15.

Hon. Wafula Waiti: I'm coming up Mr. Speaker.

Mr. Speaker: Yes, please.

Hon. Wafula Waiti: During the time, the then Chair was Hon. Okasida, but by the time we were handling this report, Hon. Okasida had been discharged but we had not elected the Chair. So, by the time we were writing this report we wrote it under the vice chair.

Mr. Speaker: Now, if that is the position, then where was the chair Hon. Bernard Kikechi forwarding the report from? When you go to the adoption, the Chair has surfaced. Yes, let me hear Honourable Meshack first.

Hon. Meshack Simiyu: Mheshimiwa Spika, wacha hii kazi yenyenye tunafanya kwa hii *Assembly*, wacha watu wafuate. Kwanza Mheshimiwa Waiti anatakikana ukinipa nafasi anaenda anakaa, si kusimama hapo na kupiga mfuko hivi akiangalia yale mwenye anasema, hiyo ndio ya kwanza.

Ya pili, wakati tulimtoa Mheshimiwa Ipara, haikukaa bure, tuli *replace same day* tukapeana Kikechi. *Two*, Kikechi anataka kuhepahepa kazi yake...

Mr. Speaker: Hon. Meshack, that line is very dangerous and it is me to say that, not from the whip. Let me just clarify, the feedback of this response being given by Hon. Waiti Wafula is not tenable for one simple reason, you do a report and adopt the same on the day at the venue of writing the report. Look at the forwarding membership of the Committee, the Chair is there but very silent; he's not saying he's the chair. Look at that page for forwarding the report, it is forwarded by Hon. Bernard Kikechi as the Chair and the adoption he is number one on the list, so where was he between writing of the report and the forwarding? Are you aware of that position Hon. Waiti? Look at the adoption behind, he is there, okay? Then look at the forwarding page, signed by Hon. Kikechi. Are you saying at the time of doing membership, he was not the chair, he became the chair at the time of forwarding and mischievously, this report does not identify him as the chair under membership of the committee?

Hon. Wafula Waiti: Mr. Speaker, at this point I need your guidance.

Mr. Speaker: Yes, Hon. Ipara.

Hon. Johnston Ipara: Thank you, Hon. Speaker. You are supposed to give us guidance. What happens when the Chair disowns his own committee and he forwards? You remember you said very well as the Solomonic of this House, a report is adopted at the same time and forwarding is signed at the same time. At the point of adoption, who was the Chair? And if Honourable Kikechi was not the Chair, the traditions are, where the chair is not there, the Deputy or the vice chair is the person who conducts the business. How comes the name of Honourable Kikechi is the first name and also on forwarding, he's the Chair and he disowns during the proceedings?

Mr. Speaker: Members, I made pronouncement sometime back here, that to avoid any mischief in any committee matters; the report is adopted at the place of writing it. Now, in this situation, at the time of doing the report, look at the membership of the committee, are 15, meaning the chair was in that group of people in that meeting but he is not mentioned anywhere. Let's not hang the mover of this motion. Let's get it from the vice chair at that time. Hon. Kennedy I'm giving you a microphone.

Hon. Kennedy Wanyama: Thank you, Mr. Speaker. I want to concur with what Hon. Waiti said. During the report writing of the fourth quarter financial statement, the motion before us, Mr. Kikechi was present, it's true during that meeting, but he had not been appointed Chair, I am the one who chaired the meeting, but he was present.

Mr. Speaker: What I'm not understanding members is this item, you interrogate this report here from the Committee room, then the weekend we all went to Kisumu, each Committee doing its own report as per the Sector. Now, if the interrogation was on Wednesday, here, then on Friday we went to Kisumu, then why did you make Hon. Kikechi the Chair at the time of forwarding and adoption? Look at that report, at the time of forwarding, it is Hon. Kikechi forwarding, at the time of adoption, it is Hon. Kikechi signing as the Chair, why didn't you sign as the acting Chair? Or the vice chair of the committee? Are you seeing that problem?

Hon. Kennedy Wanyama: Yes, I get you Mr. Speaker; I think that was an oversight. I stand guided.

Mr. Speaker: Hon. members, let's avoid this mischief, once given responsibility as the Chair, carry it on with all the energy and I'm wondering, unless you tell me it's in Tourism, or the Committee which is outside, proceed, but I think we will be looking at the House leadership over the same, because we don't want situations where you decide to chicken out to chair meetings. I thought by chairing meetings is your responsibilities. Proceed Hon. Waiti, but I think the committee level, Hon. Ipara, you are first to click..

Hon. Ipara Johnstone Okasida: Hon. Speaker, the traditions and the customary law normally says that there are things that become common, and what becomes common here in committees is where the chair and the vice chair are not present, then there is one person who is appointed to conduct the business, that person is referred as the presiding chair at that particular time. For this meeting, before Hon. Waiti proceeds, who presided that meeting and it's not indicated in the minutes. Kindly guide out Hon. Speaker

Mr. Speaker: Hon. Sudi, I will give you a microphone before I go to Hon. Waiti who is going to see fire today

(Laughter)

Hon. Isaiah Sudi: Thank you, Hon. Speaker. Mine is just to seek some clarity, you have mentioned that we must do adoption of the reports at the places where we have done the report but Speaker sometimes when we adopt a report, and it's brought into the House you'll

find that there are some changes which were not in the original report. At times, we fear to adopt the report where we are doing until we are here, that's why you see sometimes we are being followed to sign, because we don't want somebody to tamper with it. So you also guide the Chairs and even the secretariat, that once the report has been done, if there are changes to be made they should be done by the whole committee.

(Loud consultations)

Mr. Speaker: Let me find out this from Hon. Waiti. No, from Hon. Tendet he is the Vice Chair to carry this cross. Hon. Waiti, give it to him.

Just after the adoption schedule, there is annexures okay? Number two are you getting it? 9th of April, who was the chair?

Hon George Tendet: It was Hon. Bernard Kikechi

Mr. Speaker: Then the Vice chair was presiding over when the chair was sited

Hon. George Tendet: Correct!

Mr. Speaker: Members, when you do some things here, I will keep on asking members, forgive me over this, what you do here, when it goes to archives it may portray you as a ceremonial Chair who never knew what they were doing.

Imagine you are in a meeting of HBC, unless I'm unwell they'll indicate that Speaker present but unwell, Deputy Speaker chairing. But you are in that meeting, the Chair is sitting somewhere else masquerading as just a member, but he is the Chair and the vice chair is chairing. Now the tricky part is this, if you look at the top page of this membership, the Chair is present but not being identified. He is just a common member.

Let me just confirm those minutes, have you seen where the problem is? So members here their concern is valid. How do you have a Chair in a meeting, hiding behind the chairs but he signs the adoption? Now even out of curiosity if I have to confirm who takes home the welfare part of the Chair, is it the Chair or the presiding Chair?

(Laughter)

Who takes the welfare part? But the presiding chair is the one presiding members. Are we seeing that challenge members? Let's avoid that scenario, let's allow honourable Waiti to proceed! But at the committee level of this committee, I know of course honourable Nangulu keeps on sharing this issue with honourable Chair Budget, there is different, but this is a situation that is very funny. We will find out from the substantive Chair. Honourable Meshack you are on line before he proceeds.

Hon. Meshack Wekesa: Spika yale ambayo umesema nilikuwa na *contrary opinion* kwamba, unajua jana ulisema mambo ya archive. Ukasema wakati tutatoka hapa, kukaa huko mbele watu watakuja kupitia vitu ambavyo tunaongelea. Ingekuwa vyema kama inawezekana watengeneze ikue vizuri, na tuendele. Sijui unaona namna gani mheshimiwa Spika

Mr. Speaker: No! They'll proceed the way it is members, but I'm urging the chairs if you are unwell, you have to say the Chair was present but unwell, vice chair is chairing. It happens, you can come with some severe cough or malaria, you are unable to chair but the vice chair chairs or even a member chairs. Hon. Waiti, you are seeing that problem? Proceed please!

Other chairs learn from here! We don't want to be very punitive to you hon. Waiti, we will be killing an innocent soul today.

Hon. Waiti Wafula: Honourable Chair thank you for the guidance, I continue from page 5

Guiding principles in the examination of the county government quarterly report and financial statements

In execution of its mandate, the Committee on Trade, Energy and Industrialization is given a legal backing under the Constitution of Kenya 2010, Public Finance Management Act 2012 and County Government Act 2012. These statutory provisions include one...

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Section 149(1) (a) and (b) of the PFM Act 2012 provides as follows... “*an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is;*

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5. Direct Personal Liability

Article 226(5) of the Constitution of Kenya, 2010 is emphatic 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*”.

6. Obligations of Accounting Officers

The Public Finance Management Act, 2012 section 166 states as follows;

3. *An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.*
4. *In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report—*
 - (a) *contains information on the financial and nonfinancial performance of the entity; and*
 - (b) *is in a form determined by the Accounting Standards Board.*

5. *Not later, than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.*
6. *Not later than one month after the end of each quarter, the County Treasury shall—
(a) consolidate the quarterly reports and submit them to the county assembly;
(b) deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and
(c) publish and publicize them*

Acknowledgement

On behalf of the Committee, I wish to thank the office of the Speaker and that of the Clerk of the County Assembly for the willingness to facilitate the Committee during its assignment. I also acknowledge the Hon. Members and the secretariat for their utmost commitment towards the compilation of this report. I further do confirm that the recommendations of the Committee in this report were unanimous.

It is therefore my pleasant privilege and honor to present to this House the report of the Committee on Trade, Energy and Industrialization on the 4th quarter financial statements for the period ended 30th June, 2023.

The report is duly signed by the Chairperson Hon. Benard Kikechi

KEY HIGHLIGHTS ON THE 4TH QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2022/2023

Mr. Speaker,

The County targeted revenue projection for the financial year 2022/23 was Kshs. 14,824,738,618 as per the approved 2nd supplementary budget. Below is the breakdown of the sources of revenue. Out of the total revenue, Kshs. 665,486,021 relates to AIA projections for level 4 and level 5 Hospitals that report separately outside the County Revenue Fund leaving Kshs. 14,159,252,597 as the expected revenue to be received through the CRF Account.

The Department of Trade, Energy and Industrialization had an annual approved budget of Kshs. 288,873,857 comprising of Kshs. 64,762,186 recurrent and Kshs. 224,111,671 for Development expenditure programmes.

ACTUAL REVENUE RECEIVED AS AT 30TH JUNE, 2023

The County had projected revenue of Kshs 14,159,252,597 in the FY 2022/2023 but the actual amount received was Kshs. 11,890,639,396 translating to 84%. As per the report, the Department received Kshs. 136,779,677 out of Kshs. 288,873,857 translating to 47% absorption rate. The Department submitted that the absorption of the budget was Kshs. 127,807,360 with Kshs. 61,485,151 being recurrent and Kshs. 66,322,209 development. During the fourth quarter alone, the County received Kshs. 5,569,087,000 from the exchequer.

COUNTY OWN SOURCE REVENUE

During the Financial year 2022/2023, the County managed to collect Kshs. 379, 716, 358 from local generated revenue out of the targeted amount of Kshs. 500, 000,000. The Department's own source revenue is consolidated in the revenue directorate.

CONDITIONAL GRANTS

In the FY 2022/2023, the County had projected to receive total conditional grant of Kshs. 1,656, 728,137. The Department of Trade, Energy and Industrialization did not have any grant but in the current FY it has two conditional grants for Aggregate Industrial Park Kshs. Amounting to 100,000,000 and REREC amounting to 45,000,000.

DEPARTMENTAL EXPENDITURE

Personnel expenditure

Under recurrent expenditure, personnel emolument had a utilization of Kshs. 23,278,141 representing 98% of the allocated Kshs. 23,722,331. However, the Department submitted absorption of Kshs. 23,515,982 representing a variance of Kshs. 237,841 between what was reported by treasury and what was reported by the Department.

Administration and support services

Administration and support services with a total allocation of Kshs. 41,039,855 utilized 93% of the budget (Kshs. 38,032,055). The submitted departmental expenditure analysis reported a Kshs. 37,969,168 with the following expenditure vote head achieving almost 100% absorption;

- Utilities supplies and services with an allocation of Kshs. 6,030,000 absorbed Kshs. 5,947,875 translating to (99%) absorption.
- Domestic travels with an allocation of Kshs. 19,887,377 absorbed Kshs. 19,852,741 translating to (100%) absorption.
- Training expenses with an allocation of Kshs. 1,715,105 absorbed Kshs. 1,529,810 translating to (89%) absorption.
- Hospitalities supplies with an allocation of Kshs. 3,745,601 absorbed Kshs. 3,648,100 translating to (97%) absorption.
- Motor vehicle insurance with an allocation of Kshs. 1,200,000 absorbed Kshs. 1,007,684 translating to (84%) absorption.
- Routine maintenance of motor vehicle with an allocation of Kshs. 1,565,074 absorbed Kshs. 1,308,401 translating to (84%) absorption.

Programs that reported under-absorption include;

- Communications supplies with an allocation of Kshs. 287,973 absorbed Kshs. 121,779 translating to (42%) absorption.

- Printing and advertising with an allocation of Kshs. 400,000 absorbed Kshs. 233,060 translating to (58%) absorption.
- Office and general supplies with an allocation of Kshs. 617,562 absorbed Kshs. 400,394 translating to translating to (65%) absorption.
- Fuel oil and Lubricants with an allocation of Kshs. 2,699,253 absorbed Kshs. 1,300,000 translating to (48%) absorption.
- Other operating expenses and routine maintenance of other assets with an allocation of Kshs. 50,081 and Kshs. 93,904 respectively had 0% absorptions.

It can also be noted that other purchases with an allocation of Kshs. 1,028,900 witnessed an expenditure of Kshs. 2,446,185 representing an over absorption (238%), monies likely to have been sourced from the under-utilized votes.

Development expenditure

Development vote witnessed 30% absorption i.e. Kshs. 66,322,609 of the Kshs. 224,111,671. On this;

- i. Trade loan with an allocation of Kshs. 25,000,000 had NIL absorption owing to the lack of Regulations.
- ii. Ward Based projects realized absorption of Kshs. 30,684,000 representing 90% of the allocated amount of Kshs. 34,241,000.
- iii. Ward based project pending bills had been allocated Kshs. 6,600,029 of which Kshs. 6,167,758 representing 93% had been settled leaving a balance of Kshs. 432,272.
- iv. Pending bills in the department amounting to Kshs. 9,270,642 relating to purchase of lighting equipment Kshs 5,282,642 and prefeasibility studies Kshs. 3,988,000 were settled leaving only a balance of Kshs. 104,500.
- v. Energy development (purchase of lighting equipment) with an allocation of Kshs. 119,000,000 was reported to have incurred an expenditure of Kshs. 43,648,125 (37%) by the end of the financial year. However, the submitted expenditure from the Department puts this at Kshs. 20,304,309 representing 17% absorption.
- vi. Market development program with an allocation of Kshs. 30,000,000 meant for market developments of Kamukuywa (Kshs. 15,000,000) and Chwele (Kshs. 15,000,000) had NIL absorption due to slow procurement processes.

Pending staff receivables (outstanding imprests)

Accounts receivables (outstanding imprests) across all Departments amounted to Kshs. 288,712,420. The individual officers holding unaccounted imprests in every department is given in the submitted report.

Outstanding imprest in the Department was reported as Kshs. 9,976,220. The Department submitted evidence to back up the surrender of imprest amounting to Kshs. 7,525,200 leaving an outstanding imprest of Kshs. 2,451,020.

Pending accounts payable (pending Bills)

Pending bills had outstanding amount of Kshs. 23,281,706 at the beginning of the financial year. During the financial year, the Department managed to clear Kshs. 19,643,931. Additionally, the Department accrued new pending Bills amounting to 123,078,700. Recurrent totals to Kshs. 14,753,945 while development at Kshs. 108,324,755.

COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

Observations

1. THAT, there were variances between the reported expenditures for the Department from Treasury report and the submissions from the Department.
2. THAT, there was an over expenditure of 238% for the vote on other purchases with an allocation of Kshs. 1,028,900 which witnessed an expenditure of Kshs. 2,446,185.
3. THAT, there was no indication as to whether recurrent pending Bills amounting to Kshs. 1,719,025 had been cleared by the Department despite an allocation being made in the 2nd supplementary budget.
4. THAT, there was no absorption on the Trade loan because the Regulations had not been passed.
5. THAT, there was very low absorption of the purchase of lighting equipment vote of Kshs. 119,000,000. Moreover, there were discrepancies in the submitted allocations absorption with Treasury submitting Kshs. 43,648,125 while the Department submitted Kshs. 20,304,309.
6. THAT, five programmes recorded an under absorption.
7. THAT, slow procurement processes are derailing absorption of votes in the Department.
8. THAT, There was an allocation of Kshs. 15,000,000 for the purchase of land for construction of Kamukuywa market that remained unspent at the end of the financial year 2022/2023.
9. THAT, the Department had an outstanding imprest of Kshs. 2,451,020.

Committee Recommendations

The following recommendations were made by the Committee:

1. THAT, the Department needs to harmonize the figures presented with Treasury so as to avoid reporting different figures to enhance the County Assembly scrutiny work.
2. THAT, it is prudent for the accounting officers to report any reallocations as soon as they occur as per Section 154 of PFM Act, 2012 which provides as follows:

Limited power of accounting officer to reallocate appropriated funds.

(1) *An accounting officer shall not authorise the transfer of an amount that is appropriated—*

(a) For transfer to another county government entity or person;

(b) For capital expenditure except to defray other capital expenditure; or

(c) For wages to non-wage expenditures.

(2) *An accounting officer for a county government entity may reallocate funds between programs, or between Sub-Votes, in the budget for a financial year, but only if—*

(a) provisions made in the budget of a program or Sub-Vote are available and are unlikely to be used;

(b) a request for the reallocation has been made to the County Treasury explaining the reasons for the reallocation and the County Treasury has approved the request; and

(c) The total of all reallocations made to or from a program or Sub-Vote does not exceed ten per cent of the total expenditure approved for that program or Sub-Vote for that year.

(3) *Regulations approved by the county assembly may prescribe requirements for the reallocation of funds within Sub-votes or programs*

3. THAT, pending Bills should be cleared as first charge wherever provisions are made.
4. THAT, the Department should not allocate funds to programmes without Regulations in place.
5. THAT, the Department should do proper planning to ensure procurement processes begin early in the financial year and share with the Committee the quarterly work plans to enable the Committee undertake proper oversight.
6. THAT, all imprests should be surrendered within (7) working days after returning to duty station as provided by Regulation 93 of PFM (County Governments) Regulations, 2015 as read together with Section 197(k) of the PFM Act, 2012. Further, the committee recommends that the Department submits a status report of all imprests within 60 days after adoption of this report.

There is the adoption schedule signed by all 15 members of the committee and then on page 14 are annexures of the fourth quarter executive financial statements for Financial Year 2022/23 for the period ended 30th June 2023 and the minutes of the committee on the adoption of the report.

Allow me at this point call upon Hon. John Kennedy to second the report

Mr. Speaker: Is he the one you are looking to second

(Laughter)

Hon. Wafula Waiti: ...to come and second the report

Mr. Speaker: You know what you are telling us is that the membership to that committee are missing...the way the former member was behaving he was not even sure of the membership of the committee being in this House and I have checked and they are so many of them here, proceed

Hon. John Kennedy: Thank you, Mr. Speaker. I rise to second a motion on the sector committee on Trade, Energy and Industrialization on the 4th Quarter financial statements for the period ended 30th June 2023.

From the report, you realize that during this quarter under review, we had an allocation of Kshs.25Million for Trade loans which had nil absorption, subsequently, we fast tracked the process and the regulations are in place and so the department is now ready to start disbursements. We also see that we had Ward based projects with an absorption rate of 90 per cent or Kshs. 30,684,000 which is commendable. This is out of an allocation of Kshs. 34,241,000 and on this I just want to urge elected Honourable members that going forward, where possible they can try and allocate some resources towards lighting of our markets.

Thirdly, out of total pending bills of KShs.9, 270, 642 an amount of KShs.9, 166,142 was paid leaving a balance of only Kshs.140, 500 which is also commendable. Under market development, there was an allocation of Kshs.30Million that is Kshs.15Million for Chwele and Kshs.15Million for Kamukuywa which realized nil absorption but I also want to take note that subsequently these funds have been utilized and there is development on-going on the two markets.

Finally, on the issue of imprests, as we are aware, the PFM Act is very clear that imprests should be surrendered within 7 days after return to work stations. This department had a total imprest of KShs.9, 976,220 out of which an amount of Kshs.7, 525,200 was surrendered within the same period leaving a balance of Kshs.2, 451,020. This is also commendable because almost 70 per cent of the imprest was surrendered. I second

Mr. Speaker: Thank you, Hon. Ken Wanyama for seconding the motion.

(Motion proposed)

Hon. Johnston Ipara: Thank you, Hon. Speaker. I rise aware that we are debating a report that is irregular in the sense that we did not follow the rules of the Assembly where it indicates that whenever the Chairperson of a committee is not present, the vice-chairperson will take control of the committee to conduct the business and where both are not present...

Mr. Speaker: Hon. Ipara, that issue has been discussed exhaustively and you understand there was no problem. I therefore urge you to avoid that line of argument because you are on HANSARD.

Hon. Johnston Ipara: I will proceed as guided. This is one of the departments that is a major stream of our own revenue but you find that the budget that this department receives is inefficient to enable them achieve and realize their dreams.

The other barrier is artificial where the tendering process is delayed and it's normally done mid of the financial year thus disadvantaging the department. If we start the procurement procedure at this particular time as we stand here, it will only take about one and half months for the tendering process to be completed. If we do these things at early we shall also reduce the issue of pending bills which stand at about Kshs. 1.9 billion.

This is a challenge that we need to address. For instance Kamukuywa market was allocated Kshs. 15 million that was not absorbed. The same case for Chwele Market with an allocation of Kshs. 15 million and Kipsigon Market at Kshs. 10 million, by that time I was a member of this committee and the above allocations were not absorbed for obvious reasons. The leadership of this Assembly must address these challenges because the people of Bungoma are not getting the services as required by being failed by a single department for reasons known to them.

We should not be waiting for supplementary budgets to move money elsewhere so that it can be utilized. Supplementary budget should only be done to address unforeseen needs that were not budgeted for. During processing of supplementary budgets you will realize that even known items like salaries there is over-budgeting for instance by Kshs. 100,000,000 and during a supplementary the excess amount is moved elsewhere.

An urgent issue in the Department of Trade is lighting of our markets. When we talk about lighting of markets we are not talking as leisure but as an attraction principle to enable traders conduct their businesses up to late hours. We have never given lighting of markets priority. For instance Naitiri has been a victim of thuggery for the reason that the market is not well lit.

When shall we cease to allocate money on the basis of the face value of a person? When shall we cease to allocate money on the benefit that we will get as a return. Am happy my friend Hon. Tony we are here a member of the 'deep state' when Lwakhakha is dying as he is proudly seated here yet his people are supposed to reap maximum benefits which is not the case. We end up blaming the Department of Trade yet we are the people who are failing them because we have not given them enough budgets to implement such programmes.

As that report was being reported if you find that we are not scoring 50% and we are in the 10th month, it is either we have failed as a county or we have failed as a County Assembly for not playing our oversight role properly. Oversight means we make sure that all procedures are duly adhered to. This department contributes close to 70% of our local revenue collection i.e. business permits, auction ring and even farm produce. I want to say that we have noted the recommendations and the flaws in this report. I submit.

(Applause)

Hon. Isaiah Sudi: Thank you, Hon. Speaker. There is this issue on regulations; I don't know what we shall do, so that the regulations to ensure allocated funds in the budget are expended. The issue of Trade Loans, Youth Fund, Disability Fund, Women Fund and many others which require regulations to enable the allocations to be expended. I seek your indulgence to compel the executive to come up with regulations to guide some of the priority areas so that the people of this county like the youth, women and people with disability can be assisted.

Mr. Speaker: Hon. Sudi, are you admitting that the committee is unable to work? Or what are you telling this House because one of your core mandates is legislation?

Hon. Isaiah Sudi: Hon. Speaker, it is not only the Department of Trade; we also have other departments like Agriculture, Lands among others where regulations and policies are required to facilitate implementation of some programmes and projects. We are going to make sure that the regulations and policies are brought to this House for processing so that the above mentioned group can feel part of this county.

Another issue the committee observed that Kshs. 119,000,000 which was allocated for lighting. The department reports that Kshs. 20,000,000 has been expended while the Finance Department indicates that Kshs. 43,000,000 has been expended instead. Even if we go by Kshs. 43,000,000 or by Kshs. 20,000,000 still it is too low given the total allocation of Kshs. 119,000,000 yet we have challenges in lighting and repairs across the county.

I want to urge the concerned persons to pull up their socks so that we can serve our people better. If this money had not been allocated they could be saying we have no money the way my colleague from Tongaren has indicated that the allocation for the department is low. Look at Kshs. 119,000,000 allocation that has not been well absorbed. Therefore, we should not only look at recurrent allocations where they spent 99%. Or 100% and when we go to the development you will see that there are 8% or 10%, you see, we are affected. As people's representative, we drive on devolution, not recurrent.

Mr. Speaker: Thank you, Isaiah Sudi. Hon. Caleb,

Hon. Caleb Wanjala: Thank you, Mr. Speaker, for also giving me an opportunity to add my voice on the same. The Ministry of Trade, Energy and Industrialization is a very key ministry that can really help this county in terms of own source revenue, at the same time, job creation. The reason why there is low absorption of the funds allocated to this ministry is that I don't know if they usually do pre-visibility study before they do the allocation, because you realize that there are markets that have land, and there is no any allocation to those markets, and where there is no land, or where the market, the own source revenue is low, or the market doesn't give the county a lot of revenue, there's no in-allocation to it.

And the best example, I will give Bukembe Market which has the potential of giving this county a lot of money, but it has not been given a serious attention. As I speak to you right now, the lighting system is not good, but once given attention it deserves then it can have 24-

hour business. Even the lighting system that were put on all our markets, if you walk there now, it is total darkness.

Another issue, I don't know, because if you walk around our markets, even in this market, Bungoma Town, you will see that those are street poles. They are erected everywhere. When one goes off, instead of repairing that one, they bring another one, erected the same. So you walk around, there is a lot of street poles, lights that are not working, are not functional, but we are quick to buy others instead of maintaining the one that we have. I think the department needs to pull up its socks and help this county. I don't know how many light industry this Ministry of Trade has attracted to this County.

I don't know how many, and if there is any, how many job creations our young people from this County have gotten from the same. If you go in other counties, what they are trying to do is to attract light industries or people can come and invest in their counties so that they can be able to help a lot of young people who are jobless, and that is what we should be thinking as a county and as the Department of Trade.

Things need to be done not in the same way they are doing now because at the end of the day, we are writing a history. Right now as we are seated here, we have departed heroes who fought so hard for this county. For example, when you talk about Khaoya, they will talk about the Nzoia Sugar Factory.

When you talk about Khaoya, they will talk about a lot of things that were brought in tenures. So for me, even as I support the report, the Ministry of Trade and Industrialization, they need to have the priorities. Which are the markets that if we support, they can grow very fast? Which are the markets that when we put there may be a slaughterhouse or this, that we will get a lot of revenue?

The issue of trailer and parking, go to Bukembe at night, go to Kanduyi. It is a time bomb in waiting. Even during the market day, if you go there, you will just pray for those people. And this is something we should think about. When you go to some of our market, the drainage system is not good. Not only the drainage systems, but even the toilets, they are not good. And these are the people you want to collect revenue from them when you have not made their working condition or their business environment conducive for them. And that is why we are always collecting less than what our projection is. Thank you. I rest my point.

Mr. Speaker: Thank you, Hon. Caleb Wanjala. Hon. Jeremiah,

Hon. Jeremiah Kuloba: Asante Bwana Spika kwa kunipa nafasi hii. Kwanza ningependa kuunga mjadala ambao umekua hapa kuhusu usambazaji wa stima hasa katika hii Idara. Kulingana na mimi kuna mzungumzaji mmoja amezungumzia kua hatujawa na taa katika masoko yetu. Lakini Bwana Spika Ningependa kuongezea kwamba majukumu makubwa yana bakia na sisi ambao ni wawakilishi wa wananchi .

Ikiwa tutapewa bajeti yetu na Idara pia imepewa bajeti yake,Sisi kama wawakilishi wa wananchi zile fedha ambao tumepewa za maendeleo mashinani , ningewahimiza wajumbe wenzangu tuchukue kiasi kikubwa cha pesa tuweke katika kuasha mataa katika soko yetu .

Unajua ikiwa mtu atazungumzia masoko kama ya kwangu kwa mfano kama hayana taa sitaona vizuri kwa sababu kwangu nimechukua fedha nyingi , nimeweka watuu wanatembea kwenye mataa sio kando na masoko peke yake , Hata mabarabara . Ziwezi kusema kua hio Idara imefanya kazi mbaya , imejaribu ,Lakini wewe nawe umefanya nini kama mwakilishi wa watu kueka kiwango...usichukue pesa uende uweke kwa barabra peke yake ,uwache kueka kwenye mataa

(Loud Consultations)

Mr. Speaker: Hon. Just Speak about the motion

Hon. Jeremiah Kuloba: Ndio hio Bwana Spika yote inakuja kuungana pamoja na hio

(Applause)

Kwa sababu zile fedha mabazo tumepewa na wizara ambazo ni milioni ishirini ,tuko na wadi 45 wewe mwenyewe hujaeka ya kwako , unatarajia itoke wapi. Asante Bwana Spika rekebisheni

(Applause)

Mr. Speaker: Hon. Waiti Wafula, you reply to the motion

Hon. Wafula Waiti: Thank you, Hon. Speaker. I want to first of all thank my colleagues who have had time to add flesh in this report. When you look at the observations and recommendations of the committee members, they are very clear and evident enough that the Procurement Department must come up with the strict measures to first track the procurement process in order to improve our absorption rate for development projects, because it seems it's a department that is letting down the department from working. So we urge them to adhere to the recommendations we have laid down.

Secondly, the Executive must ensure that any needed regulations are put in place to facilitate expenditure in relevant departments, so that we avoid these issues of coming up with allocations, and at the end of the day, they lie behind the excuse that they don't have a policy to spend, and yet we have allocated funds and approved funds for them. And finally, when we talk of the lights in our county, we urge our colleagues and colleague members from the Budget Committee to consider enough money for the lights in our county. Like this year's financial year, I mean, the budget...

Mr. Speaker: Hon. Jeremiah, consultations is beyond the required standards. Proceed.

Hon. Wafula Waiti: Thank you, Speaker. If you look at this current budget, of this New Year, it is only allocated 10 million for the lights, which is not enough for the whole county. So I urge them to consider in the next allocations, and equally, I would also wish to urge my colleagues who are in charge of wards like myself, as Hon. Jeremiah put it, that if we can consider allocating money from CEF to assist in lighting up our serious markets in our wards it can also assist in terms of lighting up our markets. Otherwise, I want to appreciate and urge my colleagues that we pass this motion before us so that we can assist our county to move forward.

(Applause)

Mr. Speaker: Thank you, Hon. Waiti for the reply to the motion. Honourable Members, allow me now proceed and be able to put a question to the said motion. Honourable members, a motion was moved and seconded. That the House approved the report by the Sector Committee on Trade, Energy, and Industrialization on the fourth quarter financial statement for the period ending 30th of June, 2023, laid on the table of the House on the 23rd of April, 2024.

(Question put and agreed to)

(Applause)

The sector committee's report plus its observation and recommendations are hereby adopted accordingly.

ADJOURNMENT

That was our main motion on our Order Paper. So we will adjourn for now and resume today, 3rd of July, 2024, 2:30 p.m. We adjourn accordingly.

The House rose at 10:58 a.m.