

COUNTY GOVERNMENT OF BUNGOMA

COUNTY ASSEMBLY OF BUNGOMA

COUNTY ASSEMBLY DEBATES

THE DAILY HANSARD

WEDNESDAY, 3RD JULY, 2024

Afternoon Sitting

Third County Assembly

Third Session

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COUNTY ASSEMBLY OF BUNGOMA
THE HANSARD- OFFICIAL REPORT
WEDNESDAY, 3RD JULY, 2024

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

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

PRAYER

COMMUNICATION FROM THE CHAIR

1. ALTERATION OF ORDER PAPER

Mr. Speaker: Honourable Members, on our Order Paper, under order number seven- questions and statements, we were expecting to have the CECM Finance to come and appear before this House. The HBC sat yesterday and scheduled this item on our Order Paper and unfortunately, the office of the Clerk did not inform the CECM Finance. So, it will be taken out of this Order Paper and he be given sufficient time for him to appear and respond to the statement.

The response is ready, but I think they did not inform him to come before this House today. It will be taken out. Let us proceed!

PAPERS

1. REPORT BY THE COMMITTEE ON GENDER, CULTURE AND SOCIAL WELFARE ON THE 1ST AND 2ND QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2023/2024

Mr. Speaker: Hon. Obama, you proceed!

Paper laid by Hon. Abraham Obama

Mr. Speaker: Honourable Members, the report by the Sector Committee on Gender, Culture and Social Welfare on the First and Second Quarters' Financial Statement for the Financial Year 2023/2024 is hereby tabled and formally becomes the property of the House.

2. REPORT BY THE SECTORIAL COMMITTEE ON FINANCE AND ECONOMIC PLANNING ON THE FIRST AND SECOND QUARTER FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2023/2024

Paper laid by Hon. Tony Khaoya

Mr. Speaker: Honourable Members, the report by the sector committee on Finance and Economic Planning on the first and Second Quarters' Financial Statements for the year 2023/2024 is hereby tabled and becomes the property of the House.

NOTICES OF MOTIONS

1. REPORT BY SECTORIAL COMMITTEE ON GENDER, CULTURE AND SOCIAL WELFARE ON THE FIRST AND SECOND QUARTERS' FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2023/2024

Mr. Speaker: Hon. Obama, you proceed and, issue the notice, please.

Hon. Abraham Obama: Thank you Mr Speaker. I rise to issue a notice of motion that this House adopts a report by the sectorial committee on Gender, Culture and Social Welfare on the First and Second Quarters' Financial Statements for Financial Year 2023/2024.

Mr. Speaker: Thank you Hon. Obama. Honourable Members, a notice of motion has been duly issued that this House at an appropriate time shall adopt the report by the sector committee on Gender, Culture, and Social Welfare on First and Second Quarters' Financial Statements 2023/2024.

I urge the Clerks- at- the- Table to share this report with Honourable MCAs on their gadgets. The same will form Business on our Order Paper once it is scheduled by the HBC.

2. REPORT BY SECTORIAL COMMITTEE ON FINANCE AND ECONOMIC PLANNING ON THE FIRST AND SECOND QUARTERS' FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2023/2024

Mr. Speaker: Hon. Tony, you proceed!

Hon. Tony Barasa: Hon.e Speaker Sir, I rise to issue a notice of motion that the House adopts a report by sectorial committee on Finance and Economic Planning on the first and Second Quarter Financial Statement for the Financial Year 2023/2024.

Mr. Speaker: Honourable Members, a notice of motion has been duly issued by the sector committee on Finance Economic Planning over the First and Second Quarters' Financial Statements for the year 2023/2024. I urge the Clerks- at- the- Table to share this report with the MCAs. The same will come up as a motion on the Order Paper once scheduled.

MOTION

1. REPORT ON THE COUNTY REVENUE FUND QUARTERLY REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31ST, 2023

Mr. Speaker: Hon. Tony Khaoya, proceed!

Hon. Tony Khaoya: Chapter One

Mr. Speaker Sir, the County Revenue Fund Quarter Report and Financial Statement for the period ending December 31st, 2023 was tabled in the House on 21st February, 2024 and committed to the Committee on Finance and Economic Planning.

The report has highlighted on the general performance, equitable share and own source revenue collection including appropriation- in- aid by the county. The Committee analyzed the report in

comparison with the performance of previous years that aided in the making critical observation and clear and workable recommendation for the House to consider.

Committee Membership

Mr. Speaker Sir, the Committee on Finance and Economic Planning as currently constituted comprises the following members.

1	Hon. James Mukhongo	Chairperson
2.	Hon. Orize Kundu	Vice Chairperson
3.	Hon. Stephen Wamalwa	Member
4.	Hon. Everlyne Mutiembu	Member
5.	Hon. Vitalis Wangila	Member
6.	Hon. Violet Makhanu	Member
7.	Hon. Jack Kawa	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

Mr. Speaker Sir, administration of the County Revenue Fund, page 8, Regulation 80 and 81 of the Public Finance Management (County Governments') Regulations, 2015 states as follows;

81) the County Treasury shall administer the County Revenue Fund in accordance with the constitutional provisions in Article 207 and 209 (3) and (4), in controlling revenue received to ensure that

(1) (a) all revenue received by the County Government are paid into the County Exchequer account, except revenue received, excluded by the act or any other act of parliament or any Act of County Assembly; and

(b) With those from the County Revenue Fund are done, one among others, in accordance with the appropriation by;

(i) an Act of County Assembly; or

(ii) as a direct charge against the County Revenue Fund authorized by the Act, an Act of Parliament or an Act of the County Assembly.

County Government Responsibilities in Public Finance

Each County Government shall ensure adherence to among others, the principle of public finance set out in chapter 12 of the Constitution.

Powers of a County Treasury

105. (1) A County Treasury has such powers as are necessary to enable it to carry out its functions and responsibilities under this Act including—

(a) with prior notice, access any system of public financial management used by any of the county government entities and the internal controls used to monitor the system;

Acknowledgement

Mr. Speaker Sir, let me take this opportunity to express my gratitude and sincere thanks to the Members of the Committee and its Secretariat for dedicating their time to analyze the County Revenue Fund quarterly report and financial statement for the period ending December 31st, 2023.

The Committee is grateful to the offices of Hon. Speaker and Clerk of the County Assembly of Bungoma for the support received while discharging its mandate in the preparation of this report.

Lastly, the Committee lauds the County Executive Committee Member of Finance and Economic Planning and his team for appearing before it and availing the necessary information that enabled the compilation of this report.

Mr. Speaker Sir, it is therefore my singular 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.

It is signed by one Hon. James Barasa Mukhongo, MCA- Chwele/Kabuchai Ward and Chairperson, Committee on Finance and Economic Planning on the 18th March, 2024.

CHAPTER TWO

Examination of Bungoma County Revenue Fund Statement FY 2023/2024 for the period ended December 31st, 2023.

Financial performance

During the financial year 2023/2024, the County had budgeted to receive Kshs15, 470,095,611 of which Kshs11, 111,986,608 was equitable share from the National Government and Kshs1, 559,198,376 as transfers from other government Agencies. Kshs2, 013,479,654 as own source revenue (Kshs1, 142,938,163 AIA and Kshs870, 541,491 as local revenue) and Kshs785, 433,973 from County funds balances. AIA from Hospital facilities is used at source hence not transferred to CRF.

As at 31st December, the County had only received Kshs3, 666,954,592 as equitable share from National Government which is 33 per cent of expected as opposed to the 50per cent.

During the same period, that is, financial year 2022/2023, Kshs3, 517,613,613 was received. Own source revenue collected was Kshs112, 813,513 translating to 5.6 per cent of the targeted Kshs2, 013,479,654. In the financial year 2022/2023, Kshs94, 655,764 was collected. Kshs1, 833,477,296 was received in Quarter one and Kshs1, 833,477,296 in Quarter two. However, the collection from AIA was not disclosed.

Included in the Exchequer release of Kshs3, 666,954,592 is Kshs1, 000,000 grant from Agriculture Sector Development Support Project (ASDSP)

National Government equitable share revenue continues to be the largest source of revenue for the County, contributing 87 per cent while own source revenue is expected to contribute 13 per cent.

Hon. Speaker, we have a chart of own source revenue. The chart is there budget revenue against actual receipts as at 1st December 2023.

Budget revenue against actual receipt as at 31st December 2023

Revenue classification	Revenue Budget Kshs	Actual Kshs	% Realization
Equitable share	11,111,983,608	3,666,954,592	33%
Own source revenue	2,013,479,654	112,813,513	5.6%
Grants /Transfers from other government agencies-(ASDSP)	1,559,198,376	1,000,000	0.1%
County Funds balance	785,433,973	252,113,602	32.1%
Total	15,470,095,611	4,032,881,707	26.1%

Budget Vs actual revenue received as at December, 2023

Hon. Speaker we have a chart there showing equitable share of 11.1 per cent as I have just read

Payments from County Revenue Fund (CRF)

Total payment from the County Revenue Fund account was Kshs3, 993,493,391 out of which Kshs3, 453,698,301 was transferred to the Executive entities accounts while Kshs539, 795,090 was transferred to the County Assembly.

Item	1 st half 2023/2024 (Kshs)	1 st half 2022/2023 (Kshs)
Transfer to Executive entities accounts	3,453,698,301	3,607,552,955
Transfer to County Assembly	539,795,090	466,401,594
Total expenditure	3,993,493,391	4,073,954,549

Budget Vs Actual Transfers

Description	Budget FY 2023/24 (Kshs)	1 st half Transfers FY 2023/24 (Kshs)	%
Transfer to Executive	13,381,359,026	3,453,698,301	25%
Transfer to County Assembly	1,268,975,880	539,795,090	42%
Total	14,650,334,906	3,993,493,391	27%

Statement of receipts and payments for the period ended 31st December 2023

	Period ended December 2023 Kshs.	Comparative period 2022 Kshs
RECIEPTS		
Exchequer releases	3,666,954,592	3,517,613,613
Transfers from other government agencies(ASDSP)	1,000,000	-
Own source revenue	112,813,513	94,655,764
Return to CRF issues	606,980	1,111,963
Total receipts	3,781,375,086	3,613,381,340
PAYMENTS		
Transfers to County Executive	3,453,698,301	3,607,552,955
Transfers to County Assembly	539,795,090	466,401,594

Total payments	3,993,493,391	4,073,954,549
Net increase(decrease)in cash	(212,118,306)	(460,573,209)
Add opening fund balance b/f	251,506,622	867,288,525
Closing fund balance for period	39,388,317	406,715,315

Own source revenue

Other sources of funds for the County are the Local revenues and Appropriation in Aid (AIA). The county budgeted to receive Kshs2, 013,479,654 representing 13 per cent of total budget. Actual amount of money received in the county revenue fund as at 31st December, 2023 from local revenue sources was Kshs112,813,513 which is 5.6 per cent of total expected. Kshs53, 753,474 was collected in the 1st quarter and Kshs59, 060,039 in the 2nd quarter. The report does not give amount of money collected from other facilities like; Mabanga ATC, County Vocational Training Centres, Chwele Fish farm, Hospital facilities etc.

Money collected by Health facilities is not included in this figure yet it is included in the budget projection.

Local revenue sources

Local revenues sources for the period ended 31st December, 2023 comparative period 2022 variance. Do I read?

Mr. Speaker: It is part of the report

Hon. Tony Barasa: Wonderful CESS **14.7M** comparative **12.3M** variance...

Mr. Speaker: Hon. Tony these are figures, you are not supposed to round off... it is money! I have never said you round off. Proceed

Statement of receipts and payments for the period ended 31st December 2023

	Period ended December 2023	Comparative period 2022
	Kshs.	Kshs
RECIEPTS		
Exchequer releases	3,666,954,592	3,517,613,613
Transfers from other government agencies (ASDSP)	1,000,000	-

Own source revenue	112,813,513	94,655,764
Return to CRF issues	606,980	1,111,963
Total receipts	3,781,375,086	3,613,381,340
PAYMENTS		
Transfers to County Executive	3,453,698,301	3,607,552,955
Transfers to County Assembly	539,795,090	466,401,594
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Local revenue sources

Description	Period ended 31 st December 2023	Comparative period 2022	Variance
Cess	14,744,170	12,371,041	2,373,129
Land /Poll rate	10,499,088	8,809,221	1,689,867
Single /Business permits	32,679,867	27,419,922	5,259,945
Property rent	4,087,649	3,429,727	657,922
Parking fees	17,859,136	14,984,642	2,874,494
Market fees	11,186,570	9,386,050	1,800,520
Advertising fees	2,224,493	1,866,453	358,040
Hospital fees	-	-	
Public Health service fees	1,519,757	1,275,146	244,611
Physical Planning and development	2,571,601	2,157,693	413,908

Local revenue sources

Description	Period ended 31 st December 2023	Comparative period 2022	Variance
Cess	14,744,170	12,371,041	2,373,129
Land /Poll rate	10,499,088	8,809,221	1,689,867
Single /Business permits	32,679,867	27,419,922	5,259,945
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Parking fees	17,859,136	14,984,642	2,874,494
Market fees	11,186,570	9,386,050	1,800,520
Advertising fees	2,224,493	1,866,453	358,040
Hospital fees	-	-	
Public Health service fees	1,519,757	1,275,146	244,611

Physical Planning and development	2,571,601	2,157,693	413,908
Hire of County Assets	64,902	54,456	10,446
Conservancy Administration	3,826,471	3,210,587	615,884
Administration Control fees and charges	8,125,805	6,817,927	1,307,878
Other fines and forfeiture fees	166,642	139,820	26,822
Miscellaneous	3,257,365	2,733,080	524,285
Total	112,813,513	94,655,764	18,157,749

Transfers to County Executive from County Revenue Fund

Mr. Speaker Sir, the Executive spent, Kshs3, 072,357,586 on recurrent expenditure, KShs341, 901,152 on development and Kshs39, 439, 563 for special purpose accounts. Out of Kshs3, 453,698,301 transferred from the County Revenue Fund.

On the other hand, Kshs539, 795,090 transferred from CRF to the County Assembly during the period; Kshs515, 048,230 relates to recurrent expenditure while KShs24, 746,860 relates to development expenditure

As at 31st December, 2023, the CRF had a cash balance of Kshs39, 388,317

	Period ended March 2023	Comparative period 2022
	Kshs.	Kshs.
Recurrent Account	3,072,357,586	3,536,595
Development Account	341,901,152	70,184,715
Special purpose Account	39,439,563	431,645
Total	3,453,698,301	3,607,552,955

CHAPTER THREE

Committee's Observation and Recommendation

Committee's Observations

1. From the fourth quarter report of the financial year 2022/2023, Kshs43M had been collected but not transferred to CRF by the close of the FY; the report has not accounted for this money.
2. According to Controller of Budget report for the period 1st July to 30th September, 2023, the Hospital facilities had collected Kshs172.5m. However in this report, Hospital fees have not been disclosed.
3. Hospital fees was included in the revenue projections yet it was not transferred to CRF
4. According to the report, no money has been collected from AIA in the period under review.

The CECM, Finance promised to follow up and have all money collected on behalf of the County banked in the County Revenue Fund as per the requirements of Article 207 of the Constitution of Kenya and Section 109 of the PFMA, 2012 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;

5. The county Government acquired an Integrated Revenue management system (BARMS) in 2016/2017; over time the system has gone through continuous enhancements with an aim of optimizing revenue collection which remains a challenge.
6. The report only captures Agricultural sector Development support programme (ASDSP) Kshs1,000,000, yet we have other agencies like UNICEF, DANIDA, Covid 19 grants, Kenya devolution support programme, Kenya informal settlement improvement project under Housing, Financing Local Led Climate change FLLOCA- under Water, Climate change grant, Trade loans etc

Committee's Recommendations

1. Balances brought forward should be clearly disclosed so as to accurately compute collections for current year
2. The computation of own source revenue collected should exclude projections from the Hospital.
3. All revenue collected by the County should be disclosed in the report including AIA.
4. The County Government Revenue mobilization unit should make an impact on revenue collection to warrant its continued funding and relevance

5. Transfers from other government agencies should all be disclosed.

Hon. Speaker, on page 24 we have adoption minutes, County Revenue Fund quarterly report and financial statements for period ended 31st December, 2022; those are annexures. The adoption schedule is fully signed and with that, I wish to call Hon. Stephen Wamalwa to second the report

Hon. Stephen Wamalwa: Thank you Hon. Speaker. I rise to second this report as well moved by the Member who has been on the Floor. The Finance Committee indeed sat and made this report which is precise. You realize that we have a lot of loose ends in the Department that enforces compliance. When you talk of Kshs43Million having been collected but not transferred to the County Revenue Fund; that is something that is worrying. When we talk of an amount like KShs172Million collected by the hospital as A- in- A but not disclosing fully is something that is worrying. It is time that Finance Department needs to wake up and put in place measures to ensure that we don't have leakages in this county so that we can realize the development that we envisage.

Having said that, because Honourable Members are eager to contribute, I wish to urge the House that we adopt this report so that action can be taken and going forward; measures can be put in place so that we can realize the projections of our revenue and development as we envisage. I second

Mr. Speaker: Thank you Hon. Stephen Wamalwa, our Deputy Speaker. Honourable Members, allow me propose a motion for debate

(Motion proposed)

Hon. Johnston Ipara you proceed

Hon Johnston Ipara: Hon. Speaker Sir, Hon. Tim Chikati just persuaded me in the morning that I should allow him to be sitting here so that he persuades the Leader of Majority that he can be accommodated in our team. I rise to support this important and detailed report. Some people may ask why it is necessary that we read quarterly reports in the Assembly. They are very important reports because they act as performance evaluation and tracking tools. It makes us follow through; this money that was collected how was it distributed and where it was taken? Was it used well and if not used well, what happens? These particular quarterly reports do that.

Secondly, these quarterly reports are also important in decision making as it informs you how much you have for the purposes of budgeting. I support these reports because they assist this House on oversight and tighten up loose ends on financial utilization. Hon. Speaker in compliance I am happy that this report has revealed that some departments did not declare their own source revenue collected which is an issue even with the committees on Public Accounts and Implementation. At the end, it is a matter that needs to be investigated. If you collected money and you did not release the money to where it is supposed to be kept, it means that you are culpable. The reports also help us compare the previous and current financial years and see where we performed very well.

I emphasize on revenue collection; in the last financial year let us say for example we collected Kshs100 million; why do we collect less than 100 million in the current financial year? It tells us that something is not fine in that particular area. More so, it is a tool for information sharing. Information is power because you will be engaging from a point of information other than engaging from nowhere.

Hon. Speaker, this Department should tighten all loose ends to enable it achieve targeted revenue collection. This County is supposed to collect minimum Kshs1.2 billion but we have been underperforming. The Department should tell us what is happening; maybe there are leakages! If there are leakages, how do we want to proceed? Do we seal them before we proceed or we leave them and they leak the funds we intend to collect?

There is no optimization of expenditure in our budget. We should ensure every penny and cent that we collect must reduce wastage! We over allocate money in departments that do not collect enough revenue. For example in the budget; a sub-department is allocated over Kshs50 million whereas a whole department gets allocated over Kshs1.3 billion and when you look at the returns they don't agree. Hon. Speaker when you are doing business, the expectation is to get returns in the form of profits. If this department is not generating enough money why do we give them money? It is unnecessary? We should give somebody what they bring in. If you are bringing us Kshs475 million, during budgeting we should allocate you exactly what you brought in. I don't see any reason why we should give you more money when you are bringing nothing on the table.

At this juncture, these reports inform us that we must strengthen fiscal management. My brother Hon. Kennedy understands this; he is a CPA and I an investigator who looks at how matters happen. Therefore, we are talking about budget discipline; we ensure that we give money where it is necessary. If we do that, I want to assure you Honourable Members that we will be celebrated across the county as people who have brought services closer to our people.

The other area is on the need to improve on transparency and accountability. Under this one, I do not want to talk about audit. I want to talk oversight which is an important tool. If you are told that they purchased this chair at a million shillings and you know well that in the open market it does not cost this much! I don't know why the Leader of Majority and my brother Hon. Tony the 'deep state'...

(Loud consultations)

Mr. Speaker: Honorable Members consult in low tones

Hon. Johnston Ipara: Hon. Speaker, the other thing that we should also consider is flexibility in legislation. This implies that you should not take a hard stand that you are in that position; that you are in the government! All of us must reduce ourselves to be equals. The reason being is that

you are paid by the money generated by the tax payers. There is no money called opposition money or government money, it is money that is gotten from the people of Kenya who pay their taxes and they are the ones funding what we are doing in this House. So we must be serious on what we do.

Lastly, on the implementation is where we failed and the starting point of where we failed is when we fail to advertise tenders on time. When you look at the books of accounts, you will see “carried forward” meaning this amount was not paid. When you look down into it, the cause of non-payment is delay in completion of procurement procedures. I don’t see any reason as to why we cannot be told as we sit, because the budget process has been completed. This is the stepping stone for them to commence the tender process and the departments already identified their needs. People want to show that they are in power and they matter and without them nothing can happen.

Lastly let me say this quote from Davey Remsie "a budget is telling your money where to go instead of wondering where it went." I submit Hon. Speaker

Mr. Speaker: Thank you. Hon. Joseph Nyongesa?

Hon. Joseph Nyongesa: Thank you Mr. Speaker for giving me this opportunity to say something on this fourth quarter financial report from the Treasury. For the first time, allow me appreciate the Finance Committee for being very much open and putting things clear. You know, we have pending bills which are just from the same issues here. That money is collected but is not remitted to the County Revenue Fund.

Mr. Speaker, as you are aware, Treasury is a compliance department but unfortunately when it comes to the issue of imprests it is the worst of all. When it comes to management, it is the worst. It is like I am also agreeing with the immediate Speaker on the issue of allocating during the budget making process. Actually finance is getting almost Kshs1.3 billion, but look at observations number one, two and three. One says that from the fourth quarter report of the financial year 2022/2023 Kshs3Million had been collected but not transferred to the County Revenue Fund. So it means that this money is just hanging somewhere and yet we are in the fourth quarter.

Mr. Speaker: Hon. Leader of Majority before you wind up, Hon. Tony, I think you took part in this same interrogation. We want to know whether it was kept somewhere in a pillow or somewhere in a sack so that we are able to make a follow-up.

Hon. Joseph Nyongesa: Then Mr. Speaker, go to number two; Kshs172.5million was also collected, but was not reflecting on the current Revenue Fund. So, that is an opening of almost

200 plus. Go to number three also... so; maybe somebody is holding almost Kshs400million that could have helped some projects to move.

I want to agree that let us put aside the issue being in the government or in the opposition and realigning the Committee on Implementation. We are happy that the Vice-Chair is seated here. Now, if, actually, the Committee could be somehow proactive, then they could pick it immediately and then ensure that we see where this 172 and number three that was not disclosed. We don't know how much it was, but it was collected.

So, as we fully support this report and if the law could allow; now that we are lucky, you are a lawyer, then in my own thinking, even the Whole House could now invite the CECM for Treasury to shed light on where this money is hanging. Otherwise, the County.... anyway, I support.

Mr. Speaker: Hon. Leader of Majority, you aren't done. You didn't finish. If you want to invite the CECM, Finance, prepare a statement. I will have him here for members to ask him. I can't call him here, but through a statement brought before me, I will have him here. You ask these hard questions; if the Committee does not seek clarification at the committee level, for this one, you must seek clarification! It is Kshs400 million plus that has not been declared. Hon. Ken Wanyama?

Hon. Ken Wanyama: Thank you, Mr. Speaker for giving me an opportunity to contribute to this motion. First, I wish to congratulate *Mheshimiwa* Tony for moving the motion very eloquently. As I have mentioned here before, this issue of own-source revenue is actually a game-changer and how devolved units handle this issue of own-source revenue which can actually make a whole lot of difference. There are many ways that we can improve our own-source revenue. I just want to touch on two or three.

The first step that the Executive needs to take is that they need to strengthen the administrative capacity of our revenue team. You may have noticed that most of the revenue collection personnel are actually engaged on casual basis. Once somebody is on casual basis and you are giving them the responsibility to collect revenue, there is a high probability of leakages because they may end up compensating themselves. So I want to urge the Executive that this revenue team needs to be put on permanent and pensionable basis. That way, we are going to collect more revenue. There's also the issue of training. These personnel...

Mr. Speaker: Hon. Deputy Speaker, I think now that is overboard. Proceed, Hon. Kennedy.

Hon. Ken Wanyama: There is also the issue of training. This team must be taken through training to ensure that they are doing their work well. The second point is that, you know, as I say, you cannot do something in the same way and expect different results. So instead of burdening business people with new taxes, the best way is to expand the revenue base. So the Executive must come up with ways of identifying new revenue sources so that then we can increase our cake. One way of doing that is through assets management. It is a high time that our County actually monetized all County assets.

These are land, buildings, and other assets; so that we can generate more revenue. The other way is through diversification. We have sectors like tourism and agribusiness. If the Executive focused on it, we can also generate more revenue. Lastly is the issue of compliance and enforcement. Sometimes I wonder whether as a county we have incentives and penalties; because that is one way of encouraging traders to pay their taxes promptly. If you give somebody an incentive, then they will be encouraged to pay their taxes on time. And if you enforce penalties as well, it will also force those ones that default to pay on time. So I support.

Mr. Speaker: Thank you. Hon. Tony, you reply to the motion.

Hon. Tony Barasa: Thank you Hon. Speaker. First, I want to appreciate my colleagues for supporting the motion and putting their views forward. I want to agree with the *Mheshimwa* Ipara that if you look at development absorption, it is very minimal because of maybe late procurement processes that delays absorption of funds for development projects. This being a compliance department, I think they will need to get their heads rolling so that in the future, we have absorption of our monies on development.

I wish to also to agree with *Mheshimwa* Nyongesa, the Leader of Majority, that in recommendation numbers one, two and three, and if you go down there, there is a commitment where the CECM Finance promised to follow up and have all monies collected on behalf of the County banked at the County Revenue Fund Account.

On that basis, I want to agree with him that this House, once we adopt this report, we should call the CECM, Finance to this House over matters of county importance for him to elaborate on the promises he made when he came because it is a lot of money. The way *Mheshimwa* Nyongesa has mentioned that Kshs43 million and another Kshs172 million not going to the CRF account! This is a serious matter!

As a House, we should stand together, not putting ourselves into political outfits. Lastly on issues of revenue streams the way *Mheshimiwa* has said, we know we have a lot of revenue streams, but it is just a matter of the commitment from the Compliance Department, that is Finance. It should up its game so that we collect maximally on what we are supposed to collect.

If you look at the report for 2022 and 2023, you find that we are declining instead of us going to the top. Like, for example, if you look at observation number five, they are saying we acquired an Integrated Revenue Management System in 2016. We allocate almost Kshs25 million every year for maintaining this system, but it is not giving us value for money.

So, this is a time we should call the CECM, Finance to this House as a matter of county importance so that he can explain to us the ways we are going to improve our revenue collection as a county. I beg the House we adopt the report.

Mr. Speaker: Thank you. Before I put a question, I advise that you raise a motion on a matter of county importance and as soon as you are able to do so, be very specific with what you are going to seek. You want evidence of deposit slips, not explanations of where the money went to...

Honourable Members, allow me wind up this session by putting a question to the motion that was moved, seconded, there was a debate to it.

(Question put and agreed to)

The report is hereby adopted by this House.

ADJOURNMENT

Honourable Members, looking at our Order Paper; that was the only motion we had. We will now adjourn and resume on Thursday, 4th of July, 2024 at 2:30p.m.

The House rose at 3:31 p.m.