

Wednesday, 17th June, 2020 COUNTY ASSEMBLY OF SIAYA DEBATES

REPUBLIC OF KENYA

SIAYA COUNTY ASSEMBLY

THE HANSARD

Second County Assembly - Fourth Session

Wednesday, 17th June, 2020

The House met at the County Assembly Chamber at 2.30 p.m.

[The Deputy Speaker (Hon. Andericus Odongo) in the Chair]

PRAYERS

COMMUNICATION FROM THE CHAIR

MEETING

Hon. Deputy Speaker: Hon. Members I would like to emphasize on the text messages that were sent yesterday to you that tomorrow Thursday we will be having an early meeting in the Chamber and we request all Members to attend.

NOTICE OF MOTION

REPORT OF THE COUNTY FINANCIAL STATEMENT

Hon. Siguru: Thank you, Hon. Deputy Speaker Sir. I rise to give notice of Motion for the adoption of the Report of the County Government of Siaya financial statement for the FY 2019/2020.

MOTION

FINANCIAL PERIOD FOR QUARTER ONE

Hon. Siguru: Thank you, I rise to move a Motion:

THAT the House adopts the Report of Committee on Finance, Trade, Labour and Cooperatives on County Government of Siaya financial period for quarter one period ending 30th September 2019 of FY 2019/2020.

I hope I am correctly reporting that Hon. Members have copies and the report has annexures but I will definitely move to points that I feel need emphasis. Thus, I will move directly to page 7 on committee review on the financial performance...

Hon. Deputy Speaker: Vice Chair when did Members get the report?

Disclaimer: *The electronic version of the official Hansard report is for information purposes only. A certified version of this report can be obtained from the Hansard Editor.*

Wednesday, 17th June, 2020 COUNTY ASSEMBLY OF SIAYA DEBATES

Hon. Siguru: The report has been in circulation since last week. I made copies and made sure that all Members got one each.

Hon. Deputy Speaker: Now that all Members got the report and have scrutinized it and confirmed that everything being discussed here is as per the report then I will allow you to proceed.

Hon. Siguru: I will only go to points that we really need to highlight on as has been ruled by the Hon. Deputy Speaker that the report has been in circulation and Members have gone through it. The County Government of Siaya reported in their quarter one that ended 30th September 2019 that the County had projected revenues of Ksh. 1,733,168,627.25.

Consisting of Kshs. 1.05 million from own source and Ksh. 1,418,250 from equitable shares, Ksh. 94, 019,971 from transfers from National Government entities, Ksh. 41, 102,086 from fuel levy allocation and Ksh. 74,796,570 from donor funds.

However, on Committee findings, the revenue reported it was noted that given that the County Government reported her annual revenue estimates amounting to Ksh. 6,808,544,467 then the quarterly budgeted revenue should be Ksh. 1,702,136,116 and not Ksh. 1,733,168,627 as reported by the County Treasury.

Below is a detailed Committee analysis of the revenue for reference purposes. We have a tabulation below that explains what I have just read.

The Government further reported that out of the projected revenue the County Government was able to realize Ksh. 1,082,853,552 in actual revenues. Consisting of Ksh. 33,853,252 from own source and Ksh. 1, 007,799,300 from equitable shares and Ksh. 41,200,000 from National Government grants.

The Committee further noted that during the quarter there was low realization of own generated revenue who's performance was 33.24% while equitable shares was at 71.06%. The Committee however noted that the actual and projected revenue as reported were not detailed to include,

1. Conditioning grants from the National Government revenue e.g. compensation for user, forgone lease of medical equipment, road maintenance, fuel levy and rehabilitation of village polytechnics.
2. Conditional allocation of the County Government in form of loans, grants, developments partners e.g. Kenya Climate Smart Agriculture projects, Kenya revolution support projects, Kenya urban support projects and DANIDA.

These omissions should therefore be included in the next financial reporting.

Going to statement of receipt that is on page 9 on payments,

Hon. Deputy Speaker Sir, the County Treasury reported the following receipts,

1. Ex-releases of equitable shares of Ksh. 1, 007,799,300.
2. Government grants from National Ksh. 41,200,000.
3. County Government generated own source of Ksh. 33,853,252

We have information on the payments there, have just read the receipts. We have statements of assets and liabilities on page 10 and Tabulations that has composition of bank balances, which I also believe, is important to note.

We have statements of cash flows that is on page 21 with the tabulation of summary of net financial position as at end of quarter one. We have summary statement of appropriation,

Disclaimer: *The electronic version of the official Hansard report is for information purposes only. A certified version of this report can be obtained from the Hansard Editor.*

Wednesday, 17th June, 2020 COUNTY ASSEMBLY OF SIAYA DEBATES

recurrent and development combined. We have also summary statement of appropriation that is on recurrent, also tabulated.

On County own source generated receipts statement that is on page 15, we have figures that at least are in the report and has been reported. However, a point that will be important to note is that when we get to page 16 we have revenue streams that probably have not been able to generate anything as we notice item No.3 that is bodaboda we had a projected estimated figure of Ksh.7.5 million.

In our first quarter our expectations were that we ought to have raised Ksh.1.875 million then we come to actuals we realized that we raised 0%. In addition, on item No.4 on Weights and Measures, Agricultural subsidy fees, Veterinary services, toxics and feeds. Therefore, we have revenue streams that are supposed to give us revenue but we recognize that the County Government has not been able to tap from all revenue streams.

I will take us to page 20 where we have Committee findings, Following the forgoing review of the County Government of Siaya financial statement of quarter one 2019/2020 for financial year ending 30th September 2019, the Committee herein makes the following findings:

1. The Committee finds that the County Treasury reported various inconsistencies in the Q1 financial report that contradicts the approved County Government budget for the financial year 2019/2020 such as (i) the quarterly budgeted revenue reported as Kshs. 1,733,168,627 instead of Kshs. 1,702,136,116, (ii) inconsistencies in total projected receipt as per summary statement of appropriation of Kshs. 1,617,269,971 which differs with Kshs. 1,733,168,627.25 reported elsewhere in the report (iii) the reported actual payments made during the quarter as per summary statements of appropriation which was Kshs. 758,998,854 which does not reconcile with Kshs. 918,298,854.
2. The Committee finds that the County Government financial report for Q1 presents an untrue position of the approved County Budget for the FY 2019/2020 as an unbalancing budget. this is evidenced in the government report projected total receipts as Kshs. 1,617,269,971 and total payments as Kshs. 1,174,221,516 thus indicating that the projected receipts were more than the projected payments for the quarter by Kshs. 443,048,455 hence a surplus Budget which is not the true position of the approved balancing budget for the year under review.
3. The Committee finds that the County Treasury has not reported on the utilization of revenue from development partners like DANIDA, KDSP etc. and fuel levy and instead indicated that the expenditure for the quarter was to be financed by revenues from equitable share and local sources only contrary to the position of the approved budget for the period under review.
4. The Committee notes that during the period under review, the total local revenue collected by the County Government was Kshs. 33,853,252 against a quarterly target of Kshs. 105,000,000. This represented 32.24% of quarterly target, recording a shortfall of Kshs. 71,146,748 or 67.76%.

Wednesday, 17th June, 2020 COUNTY ASSEMBLY OF SIAYA DEBATES

5. The Committee finds that the County Government of Siaya has a serious challenge in imprest management with total outstanding imprest at Kshs. 21,376,579 during the period ending 30th September, 2019.6.
6. The Committee finds that the County Assembly submitted its report on the utilization of Kshs. 135,000,000 to the County Treasury as stipulated in the PFM Act Section 166 but the County Treasury failed to include it in the consolidated financial report under transfers to other Government entities.
7. The Committee finds that the County Government did not collect any revenue from the following approved revenue streams: Boda boda fees, weight and measures, advertisement charges, agricultural subsidies fees, veterinary services, stock sales fees, County hall hire, survey fees, Linda Mama, NHIF capitation and NEMA. This means that the annual target for own source revenue might not be achieved.

To conclude, we have Committee recommendation. Based on the a foregoing findings, the Committee makes the following recommendations;

1. That the CECM finance to review the Q1 financial report with a view of correcting the projected and actual figures of the quarterly budgeted revenue, total projected receipts, and actual payments in order to reconcile with the appropriations in the approved budget for the financial year 2019/2020.
2. The CECM finance to provide a report on the utilization status of revenue from development partners like DANIDA, KSDP etc. and fuel very within two weeks upon adoption of this report and the subsequent financial quarterly reports be inclusive of the utilization status of such revenue streams.
3. That the CECM finance to enforce guidelines on imprest management mitigation measures provided in Section 93 of PFM regulations and thereafter furnish this House with a comprehensive status report on pending imprest surrender within one month upon adoption of this report.
4. That the CECM finance to provide a report on the utilization status of Kshs. 135,000,000 transferred to the County Assembly under transfer to other Government entities within two weeks from the date of adoption of this report.
5. That the CECM finance to ensure that revenue is collected from all the streams that were approved in the budget and this should be reflected in the subsequent financial quarterly reports.

Having gone through the report with observation, I really need to emphasize that our County Government need to probably start by being serious in handling quarterly reports. To emphasize on issues of imprest, we take note that within the quarter we have noticed that at least the imprest system of the County Government has a serious issue, standing here to report that at least an imprest of a tune of Kshs. 21m that has not been surrendered neither accounted for means that we are not being serious. As we carry out our oversight responsibilities we need to put the County Government in task. I urge my fellow Members to support this report and I ask Hon. Booker to second.

Hon. Booker: I second, Mr. Speaker.

Disclaimer: The electronic version of the official Hansard report is for information purposes only. A certified version of this report can be obtained from the Hansard Editor.

Wednesday, 17th June, 2020 COUNTY ASSEMBLY OF SIAYA DEBATES

(Question proposed)

(Question put and agreed to)

MOTION
ADJOURNMENT

Hon. Deputy Speaker: Hon. Members, will we be upstanding for adjournment!

(Hon. Members on their feet)

Hon. Deputy Speaker: Hon. Members, there being no other Business this House stands adjourned until tomorrow Thursday, 18th June, 2020 at 2.30p.m. in the Chambers.

The House rose at 3. 47p.m