

COUNTY GOVERNMENT OF KISUMU



COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – FIFTH SESSION

Tuesday, 21st April, 2026

House met in the Main Chamber at 02:30 p.m.

[The Speaker (Hon. Elisha Jack Oraro) in the Chair]

PRAYER

The Speaker (Hon. Oraro): Clerk, kindly take us to the Order of the Day.

The Speaker (Hon. Oraro): Next order!!

STATEMENTS

STATEMENT INFORMING THE ASSEMBLY OF THE BUSINESS COMING BEFORE THE HOUSE ON THE WEEK COMMENCING WEDNESDAY, 22ND APRIL, 2026 TO TUESDAY, 28TH APRIL, 2026

BY

HONOURABLE KEN OOKO, MCA, AHERO

[LEADER OF MAJORITY]

The Speaker (Hon. Oraro): Yes, Honourable Leader of Majority.

The Leader of Majority (Hon. Ooko Kennedy, MCA, Ahero): Thank you, Honourable Speaker. Honourable Speaker, I rise pursuant to Standing Order No. 41(2)(c), in my capacity as the

County Assembly Majority Leader, to present and lay on the Table of the County Assembly a Statement informing the Assembly of the business coming before the House in the following week.

Honourable Speaker, this is therefore to bring to the attention of Members and the County Assembly that, for the week commencing Wednesday, 22nd April, 2026 to Tuesday, 28th April, 2026, the Select Committee on Assembly Business, at its last meeting, approved the following tentative business to appear in the Order Paper as follows:

Wednesday, 22nd April, 2026, at 9.00 a.m.

PAPER TO BE LAID

The Chairperson, Select Committee on Implementation, Honourable James Omollo, will table the Committee Report on its consideration of the Implementation Status of House Resolution on the Encroachment of Riparian Areas along Paga Beach in South West Kisumu Ward.

NOTICES OF MOTIONS

1. The Chairperson Select Committee on Implementation, Honourable James Omollo, will give Notice of a Motion for the adoption of the Committee Report on its consideration of the Implementation Status of a House Resolution on the Encroachment of Riparian Areas along Paga Beach in South West Kisumu Ward.
2. The Chairperson, Ad Hoc Committee, on the Inquiry of Performance of Own Source Revenue, Honourable Lumumba Owade, will give Notice of a Motion for Approval of their Request for Extension of Time by the Ad Hoc Committee, on the Inquiry of Performance of Own Source Revenue.

SUBSTANTIVE BUSINESS

The Chairperson, Select Committee on Public Investments and Accounts (PIC/PAC), Honourable Kennedy Ouko, will move a Motion for the adoption of the Committee Report on the Examination of the Report of the Auditor-General on the Financial Statements of the Kisumu County Executive for the Financial Year 2024/2025.

Wednesday, 22nd April, 2026, at 02.30 p.m.

The Chairperson, Select Committee on County Budget and Appropriations, Honourable Joachim Okech, will move a Motion for the adoption of the Committee Report on the Proposed Kisumu County Fiscal Strategy Paper for the Financial Year 2026/2027.

Thursday, 23rd April, 2026, at 2.30 p.m.:

Mr. Speaker we will be have two businesses:

1. The Chairperson, Select Committee on Implementation, Honourable James Omollo, will move a Motion for the adoption of the Committee Report on the Implementation Status of a House Resolution on the Encroachment of Riparian Areas along Paga Beach in South West Kisumu Ward.
2. The Chairperson, Ad Hoc Committee, Hon. Owade, will move a Motion for Approval of their Request for Extension of Time by the Ad Hoc Committee on the inquiry on the Performance of Own Source Revenue.

Tuesday 28th April, 2026 at 2.30 p.m.

STATEMENT

The Leader of Majority will issue a Statement pursuant to Orders No. 41.2(C) of the Standing Orders Business coming before the County Assembly, for the week commencing on Wednesday 29th April, 2026.

SUBSTANTIVE BUSINESS

The Chairperson, Select Committee on Public Investments and Accounts (PIC/PAC), Honourable Kennedy Ouko, will move a Motion for the adoption of the Committee Report on the Examination of the Report of the Editor General on the Financial Statements of Kombewa County Level 4 Hospital for the Financial Year 2024-2025. Thank you, Hon. Speaker.

The Speaker (Hon. Oraro): Next Order!!

MOTION

ADOPTION OF THE REPORT OF COUNTY BUDGET AND APPROPRIATIONS
COMMITTEE ON THE PROPOSED KISUMU COUNTY BUDGET REVIEW AND
OUTLOOK PAPER, FINANCIAL YEAR 2024-2025.

The Speaker (Hon. Oraro): Honourable Warindu.

Hon. Warindu (MCA, Miwani): Thank you, Mr. Speaker. I seek your indulgence to move the Motion on the Report on the Consideration of the Kisumu County Budget Review and Outlook Paper on behalf of my Chairperson, Mr. Hon. Joachim Okech.

The Speaker (Hon. Oraro): Please proceed.

Hon. Warindu (MCA, Miwani): Thank you, Mr. Speaker. Pursuant to the provisions of Article 220 (2) of the Constitution of Kenya 2010, Section 118 of the PFM Act, 2012 and Section 104 to

107 of the County Government Act, 2012, the County Treasury is mandated to prepare a County Budget Review and Outlook Paper. This policy blue print provides a review of the fiscal performance of the previous year with updated macroeconomic outlook to guide the formulation of fiscal parameters for the next budget. The law further requires that, the plan be submitted to the Assembly not later 21st October each year for consideration and approval.

Against this backdrop, the CECM. Finance, Economic Planning and ICT accordingly submitted the proposed Kisumu County Budget Review and Outlook Paper FY 2024/25 to the Assembly on 21st October, 2025 (See Annex I) and was laid on the floor of this House on Wednesday, 12th November, 2025. Consequently, the Plan was deemed to have been committed to the County Budget and Appropriations Committee and Sectoral Committees for review and interrogation pursuant to their mandates as stipulated under the provisions Kisumu County Assembly Standing Order No. 189 & 193 respectively.

Mr. Speaker Sir and Hon. Members, this CBROP is structured into five chapters; Chapter One presents the introduction and outlines the objectives of the paper; Chapter Two reviews the fiscal performance for FY 2024/2025 and examines its implications on the county's financial objectives; Chapter Three highlights recent economic developments, the updated macroeconomic outlook, and county-specific projections; Chapter Four sets out the resource allocation framework, while Chapter Five concludes with key findings and recommendations.

In executing its mandate, the Committee undertook a thorough and comprehensive scrutiny of the document. The Committee further considered submissions and recommendations from Sectoral Committees regarding the fiscal and expenditure performance of their respective Departments for FY 2024/2025. In addition, the Committee facilitated public participation forums across all the thirty-five (35) Wards of the County and received views and memoranda from members of the public in compliance with constitutional and statutory requirements.

Arising from its review, the Committee observed that the County did not fully comply with key fiscal responsibility principles as stipulated in law, particularly the requirement to allocate a minimum of 30% of the budget to development expenditure and to limit personnel emoluments to a maximum threshold of 35% of total revenues during FY 2024/2025.

On public participation, members of the public raised concerns regarding the status of bursary disbursements for FY 2024/2025, which was not explicitly addressed in the document. Additionally, concerns were expressed on the need to strengthen the public participation framework to enhance inclusivity, feedback mechanisms, and meaningful citizen engagement in the during formulation of County Policies, Plans and Budgets.

Mr. Speaker Sir and Hon. Members, the Committee extends its gratitude to the Speaker's Office and the Clerk's office for the logistical support provided during the period of processing of this

plan. We also wish to sincerely thank all stakeholders who contributed their valuable insights during the Public Participation Exercise.

The Committee further acknowledges the contributions of the Sectoral Committees for diligently scrutinizing the performance of their respective Departments. We equally appreciate the County Executive Departments and the County Treasury for honoring invitations to appear before the Committee and for providing valuable submissions that informed this Report.

I also wish to extend my sincere appreciation to the Honorable Members of the Assembly and the staff who collaborated in coordinating and facilitating the public forums. Finally, I commend my fellow Committee Members for their significant contributions and the Secretariat for their exemplary efforts in planning, programming, and coordinating all the exercises and for preparing and producing this report.

It is my humble pleasure to report that the Committee has considered the Kisumu County Budget Review and Outlook Paper FY 2024/25 and has the honor to report back to the County Assembly with recommendations for consideration and adoption.

PREFACE

Mandate And Establishment Of The Committee

1. The Select Committee on County Budget and Appropriations is established under Standing Order No. 189 and is charged with responsibility to;

- i. Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget;
- ii. Discuss and review the estimates and make recommendations to the County Assembly;
- iii. Examine the County Budget Policy Statement presented to the County Assembly;
- iv. Examine Bills related to the County Government budget, including Appropriations Bills; and
- v. Evaluate tax estimates, economic and budgetary policies and programs with direct budget outlays.

Composition Of The Committee

The Budget and Appropriations Committee is composed as follows;

Committee Members

NO.	NAMES	WARD	POSITION	PARTY
1.	Hon. Joachim Oketch	Kondele	Chairperson	ODM
2.	Hon. Geoffrey Warindu	Miwani	Vice. Chairperson	ODM
3.	Hon. Lumumba Owade	South East Nyakach	Member	ODM

4.	Hon. Nereah Okombo	Manyatta “B”	Member	ODM
5.	Hon. Kennedy Ooko	Ahero	Member	ODM
6.	Hon. Seth Kanga	Market/Milimani	Member	ODM
7.	Hon. Vincent Jagongo	North West Kisumu	Member	ODM
8.	Hon. Seth Okumu	East Seme	Member	ODM
9.	Hon. Ratib Boitone	Nyalenda “A”	Member	ODM
10.	Hon. Carren Odhiambo	Kaloleni/Shaurimoyo	Member	ODM
11.	Hon. Moses Ochele	East Kano Wawidhi	Member	ODM
12.	Hon. Pamela Oyoo	Migosi	Member	ODM
13.	Hon. Jennipher Obonyo	South West Kisumu	Member	ODM
14.	Hon. George Abaja	West Seme	Member	ODM
15.	Hon. Rueben Rakwach	Kolwas East	Member	ODM

Secretariat

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|-----------------------|--|
| 1. Adv. Owen Ojuok | - Clerk of the Assembly |
| 2. CPA. Felix Owuor | - Committee Clerk |
| 3. Mr. Omollo Isaac | - Senior Clerk Assistant |
| 4. Mr. Kephers Onoka | - Fiscal Analyst |
| 5. Mr. Zablun Otiende | - Assistant Director, Hansard Services |
| 6. Ms. Judith Akoth | - Sergeant at Arms |
| 7. Mr. Denis Ogola | - Public Relations |

PROCEDURE FOR REVIEW OF THE KCBROP FY 2024/25

To process the KCBROP FY 2024/25, the Committee held a total eight (8) meetings which accorded it sufficient time to adopt its program, plan public participation, coordinate sectoral committee meetings with their respective line Departments, and to scrutinize and interrogate the CBROP.

The Sectoral Committees held consultative meetings with their line Departments on the 15th and 16th December, 2025 and presented their recommendations to the Committee. The sectoral committee recommendations, public participation reports and emerging concerns on the CBROP were discussed and harmonized during a joint consultative meeting that incorporated the County

Treasury in compliance with requirements of PFM Act, 2012. The meeting was held in Nairobi at Prize Inn Azure from 27th March, 2026 to 4th April, 2026.

These deliberations brought forth pertinent issues across all Sectors of the county which has largely impacted the informed policy recommendations which we have made in this report. Additionally, the Departmental Committee observations and recommendations are presented in (Annex IV) of this report

Article 201 (a) of the Constitution of Kenya, 2010, Section 87 of the County Government Act, 2012 and Section 125 (2) of the PFM Act, 2012 requires the County Assembly to conduct public participation in every budget making process and consider their recommendations when finalizing its report. In this regard, the Committee sought views and received submissions from the public regarding the CBROP FY 2024/25 during a public participation exercise conducted across the 35 wards of Kisumu County (See Annex III – Consolidated Public Participation Report).

REVIEW, SCRUTINY AND INTERROGATION OF THE PROPOSED KCBROP FY 2024/25

Introduction

The 2025 County Budget Review and Outlook Paper is the twelfth to be prepared under the inaugural County Government. The document is prepared pursuant to the provisions of section 118 of the Public Finance Management Act, 2012.

CBROP is designed to integrate planning, policy formulation, and budgetary allocations. Its primary purpose is to assess the previous year's fiscal outcomes and demonstrate how they influence the financial objectives and fiscal responsibility principles outlined in the law. Together with the updated macroeconomic outlook, it forms the basis for revising the current budget through supplementary estimates and guides the formulation of fiscal parameters for the next budget and the medium term.

COMPLIANCE TO THE LEGAL FRAMEWORK UNDERPINNING THE PREPARATION & PROCESSING OF THE KCBROP FY 2024/2025

Mr. Speaker Sir, the provisions of the law mandate the County Budget and Appropriations Committee to conduct litmus test on the extent to which budget documents submitted to the County Assembly have lived up to the legal expectations.

In this regard, the Committee comprehensively evaluated the legislative framework underpinning the preparation and processing of the CBROP FY 2024/25 and has observed as follows;

Provisions/Requirement	Ref. Page	Observations	Recommendations
1. Fiscal Responsibility (<i>Section 107 of the PFM Act, 2012 and Regulation No. 39</i>)			
Section 107 (2(b) of the PFM, 2012 (30% allocation for Development)		Non-compliant 24% was spent on development	The County treasury should enforce compliance with the law
<u>Wage Bill</u> PFM regulation No. 39 (b) (A maximum limit of 35% allocation towards expenditure on wages)		Non – Compliant P&E consumed 56% of the actual revenues	The CECM. Finance to submit a fiscal responsibility statement justifying the huge wage bill and provide strategies for addressing the same in the succeeding FY 2026/27
PFM regulation No. 39 (d) Public Debt shall not exceed 20% of all government total revenues at any time		- The County has no public debt but has accumulated pending bills exceeding 10% of total revenues, excluding contingent liabilities estimated above Kshs. 3billion.	The County treasury to prepare and conform with its pending bill repayment plan to ensure that the County relieved of the burden of growing pending bill portfolio

REVIEW OF THE COUNTY FISCAL OUTTURN FOR FY 2024/2025

A. OVERAL COUNTY REVENUE PERFORMANCE

In the last FY 2024/25, against a total revenue projection of Kshs. 15,314,331,543, the County only realized a total of Kshs. 12,491,440,366 representing 82% of the presented figure.

Fiscal outturn in FY 2024/2025

Revenue Source	Revised Revenue Targets	Actual Receipts	Budget Balance	Overall Performance (%)
	(in Kshs)			
Equitable share	8,405,328,573	8,405,327,540	(1,033)	100%
Conditional Grants	2,435,470,878	953,625,888	(1,481,844,990)	39%
Sub total	10,840,799,451	9,358,953,428	(1,481,846,023)	86%
Own Source Revenue	3,804,073,100	2,463,027,946	(1,341,045,154)	65%

Sub Total	3,804,073,100	2,463,027,946	(1,341,045,154)	65%
Account Receivables	515,170	515,170	-	100%
Opening Balance	668,943,822	668,943,822	-	100%
Total Revenues	15,314,331,543	12,491,440,366	(2,822,891,177)	82%

COMMITTEE OBSERVATION

- i. The County realized 82% of its projected total revenue for FY 2024/25, indicating significant revenue shortfalls.
- ii. That, the County fully realized its projection of account receivables, Opening Balance & Equitable Share from National Government.

B. EXTERNAL REVENUE PERFORMANCE

The County projected to receive Grants totaling to Kshs. 2,435,470,878, however only Kshs. 953,625,888 was realized representing 39% of the projected figure.

A breakdown of Conditional Grants Performance is outlined in the table below;

ITEM	Revised Budget 2024/2025	Actual Amount	Performance
DANIDA Grant	23,123,790	21,530,000	93%
Finance Locally -Led Climate Action Plan (FLLOCA)	490,984,978	25,079,885	5%
KISIP	850,000,000	735,000,000	86%
IDA (World Bank Credit to Finance Agricultural Value Chain Development Project (NAVCDP)	151,515,152	68,473,624	45%
Aquaculture Business Development Project (ABDP)	15,407,244	-	0%
PRACTICE	37,227,907	2,931,502	8%

Allocation for Court Fines	66,912	-	0%
KDSP	656,709	-	0%
KDSP II	37,500,000	-	0%
Community Health Promoters	165,339,627	-	0%
RMFLF	196,615,319	68,301,577	35%
Change Maker	30,000,000	-	0%
KABDP	21,918,919	-	0%
IDA (World Bank Credit: Kenya Urban Support Project KUSP-Urban Development Grant (UDG))	340,394,236	-	0%
IDA (World Bank Credit: Kenya Urban Support Project KUSP-Urban Institutional Grant (UIG))	36,634,916	32,309,300	88%
Youth Polytechnics	7,516,000	-	0%
Kenya Dairy Enterprise Development	400,391	-	0%
NAVCDP	6,020,200	-	0%
Transforming health centre	544,976	-	0%
Equalization Fund	23,603,602	-	0%
Total Share of National Revenue	2,435,470,878	953,625,888	39%

COMMITTEE OBSERVATION

- 1 Conditional grants recorded a poor performance of 39%, largely attributed to delayed disbursements and unmet conditional requirements such as FLLOCA.
- 2 Several donor-funded programs recorded minimal or zero absorption rates such as FLLOCA, ABDP, KDSP II, Community Health Promoters and Change Maker.

COMMITTEE RECOMMENDATIONS

The County Governor through Council of Governor, IBEC and IGTRC to liaise and strengthen coordination with the National Government to ensure timely disbursement of Conditional Grants allocations for effective utilization of the funds towards implementation of the programmes.

C. COUNTY OWN SOURCE REVENUE

Below is the breakdown of OSR performance;

Revenue Streams	A	B	B-A	Funding Level
	Budget Estimate	Actual Collection	Difference	%
	(Kshs.)	(Kshs.)	(Kshs.)	
Land Rates	278,083,466	149,897,898	(128,185,568)	54%
Rents	63,844,894	20,039,683	(43,805,211)	31%
Trade license fees	253,953,452	164,156,629	(89,796,823)	65%
Bus Park Fees	164,844,132	51,504,963	(113,339,169)	31%
Parking Fees	109,953,404	21,416,191	(88,537,213)	19%
Reserved slot	19,379,747	5,851,300	(13,528,447)	30%
Monthly Stickers	46,251,150	20,645,100	(25,606,050)	45%
Clamping Fees	384,038	27,500	(356,538)	7%
Market Fees	143,026,826	48,956,664	(94,070,162)	34%
Stock Ring	5,079,726	2,681,910	(2,397,816)	53%
CESS	27,139,013	14,036,005	(13,103,008)	52%
Building Plans	31,598,866	907,250	(30,691,616)	3%
Sign Board promotion etc	179,590,717	148,608,083	(30,982,634)	83%
Sundry revenue	12,678,750	26,764,620	14,085,870	211%

Public Health and Others	3,150,278	4,810,842	1,660,564	153%
Sub-Total	1,338,958,459	680,304,638	(658,653,821)	51%
Revenue from Departments				
Health Medical Services	600,000,000	422,015,272	(177,984,728)	70%
Agriculture, Livestock and Fisheries	8,220,606	3,711,768	(4,508,838)	45%
Commerce, Tourism, Trade and Heritage	1,452,466	1,782,940	330,474	123%
Lands, Housing and Physical Planning	119,944,340	30,935,996	(89,008,344)	26%
Education, Youth, Culture and Sports	6,502,391	763,900	(5,738,491)	12%
Liquor License	38,453,328	13,363,790	(25,089,538)	35%
Energy & Mining	3,144,309	586,001	(2,558,308)	19%
Governance and Administration	2,161,626	-	(2,161,626)	0%
Sub-Total	779,879,066	473,159,667	(306,719,399)	61%
Total	2,118,837,525	1,153,464,305	(965,373,220)	54%

Committee Observation

1. The County realized OSR amounting to Kshs. 2,463,027,946 against a target of Kshs. 3,804,073,100, translating to a performance rate of 65% of the annual target.
2. A number of key revenue streams underperformed recording below 50% i.e. Rents, Bus Park Fees, Parking Fees, Reserved slots, Clamping Fees, Monthly stickers and Market fees.

Committee Recommendations

- I. That, the County Treasury should implement all previous house resolutions on revenue enhancement strategies including fast tracking formulation of a County Valuation for rating Act, strengthening synergy and coordination of revenue collection and

administration amongst designated Departments, widening of the county revenue base, and sealing existing revenue leakages.

- II. That, the County Treasury ensures that future own revenue projections are accurately projected, and aligned with historical performance trends to avoid persistent revenue shortfalls.

REVIEW OF THE COUNTY EXPENDITURE OUTTURN FOR FY 2024/25

The total County Expenditure for the period under review amounted to Kshs. 10,544,481,632 against approved budget of Kshs.15,314,331,543, representing an under spending of 31%.

The County total Expenditure comprises of the Recurrent and Development Expenditures as outlined below;

Economic Classification	Revised Budget	Actual Expenditure	Performance
Recurrent Expenditure	9,885,391,474	8,025,050,328	81%
Development Expenditure	5,428,940,069	2,519,431,304	46%
Total	15,314,331,543	10,544,481,632	69%

Committee Observations

- i. The County Executive recorded an overall poor absorption rate of 69% during the period under review with Recurrent and Development Expenditures at 81% and 46% respectively.

Breakdown of Departmental Absorption Rates

Vote	Department	Recurrent Expenditure			Development Expenditure		
		Budgeted	Actual	Performance	Budgeted	Actual	Performance
5067	Physical Planning, Lands, Housing and Urban Development	85,545,609	47,803,145	56%	1,000,300,000	758,748,100	76%
5068	Agriculture, Livestock, Food and Fisheries	60,750,665	21,457,478	35%	310,399,910	164,365,589	53%

507 2	City of Kisumu	184,097,396	115,130,083	63%	912,594,236	156,349,724	17%
507 3	County Assembly of Kisumu	1,002,019,672	937,511,584	94%	100,000,000	72,212,250	72%
507 5	County Public Service Board	37,120,379	24,682,381	66%	-	-	-
508 1	Education, Technical Training, Innovation & Social Service	217,842,020	46,315,791	21%	255,432,000	117,659,434	46%
508 2	Infrastructure, Energy and Public Works	82,686,040	38,082,740	46%	960,226,000	255,384,071	27%
508 3	Finance, Economic Planning & ICT Services	1,184,595,461	809,645,674	68%	1,023,603,602	751,301,726	73%
508 4	Trade, Tourism, Industry and Marketing	38,433,174	8,399,887	22%	22,800,000	6,485,471	28%
508 5	Medical Services, Public Health and Sanitation	805,971,649	289,392,618	36%	123,650,000	51,711,737	42%
508 6	Sports, Culture, Gender and Youth Affairs	69,398,421	51,378,761	74%	48,500,000	5,966,600	12%
508 7	Water, Environment, Natural Resources & Climate Change	71,580,010	30,060,918	42%	626,434,321	169,454,083	27%
508 8	Public Service, County Administration & Participatory Development	6,045,350,978	5,605,189,268	93%	45,000,000	9,792,519	22%
	TOTALS	9,885,391,474	8,025,050,328	81%	5,428,940,069	2,519,431,304	46%

Committee Observations

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- i. That, there is a general low absorption rate of the Development Budget Component at 46% compared to recurrent component at 81% implying disproportionate focus on recurrent spending.
- ii. That, there is an extreme low development performance under critical Departments such as City of Kisumu at 17%, Sports at 12%, Infrastructure at 27% and Water & Environment at 27%.

Committee Recommendations

- i. That, the County Treasury to ensure that procurement of development projects is initiated and completed within the 1st half of the Financial Year to avoid delays in project implementation and improve overall budgetary absorption rates.
- ii. That, the Treasury should lift controlled A.I.Es on the development budget to improve utilization of the Development Budget Component.
- iii. That, implementation Committee and Sectoral Committees to undertake a comprehensive, validation, review and evaluation of all development projects captured in the document and cause a report with recommendations to this Honorable House.

Stock Of Pending Bills As At 30th June, 2025

Status of County Pending Bills as at 30th June, 2025 and stock of pending bills accrued during the same Financial Year.

CATEGORY	Pending Bills FY 2023/24	Amount Settled	Balance	Outstanding Amount FY 2024/2025
RECURRENT	1,351,536,308	843,697,938	2,218,950,237	3,062,648,175
DEVELOPMENT	1,515,349,359	677,328,720	754,070,474	1,431,399,194
	2,866,885,667	1,521,026,658	2,973,020,711	4,494,047,369

- a. The County accumulated pending bills exceeding 10% of total revenues posing a significant fiscal risk.
- b. The County incurred significant pending bills of Kshs. 1,521,026,658 during the Financial Year under review violation of its own pending bills repayment plan which committed to offset outstanding pending bills within the Financial Year.
- c. The County Treasury acquired a Bank Overdraft Facility/ Short-term borrowing during the FY 2024/25 to a tune of Kshs. 2.62B.

Committee Recommendations

i. That, the County Treasury prepares and submits to the County Assembly a comprehensive, verified, and updated Pending Bills Repayment Plan prior to the submission of the FY 2026/2027 Budget Estimates clearly outlining the following;

- i. The total verified stock of pending bills (segregated by recurrent and development);
- ii. A time-bound repayment schedule; and
- iii. The funding sources to be utilized in settling the obligations.

ii. That, the CECM for Finance, Economic Planning and ICT prioritizes and ring-fences adequate resources in the annual budgets, strictly aligned to the approved Pending Bills Clearance Plan, to ensure systematic reduction of the outstanding stock and restoration of fiscal discipline and supplier confidence.

iii. That, the County Treasury submits to the County Assembly, within one (1) week of adoption of this Report, a detailed report on all short-term borrowing undertaken during FY 2024/2025, including: the financial institutions involved; the amounts borrowed from each institution; the terms and conditions of the facilities; and a clear account of how the borrowed funds were utilized.

USE OF MANUAL PAYROL

The County Executive used Manual Payroll for payment of staff wages and benefits totaling to Kshs. 499.6 Million in disregard of the law.

Committee Recommendations

- i. The CECM. for Public Service, County Administration and Participatory Development to ensure that all County staff are onboarded into the centralized staff database and ensure that all staff wages are strictly processed through the approved Integrated Payroll and Personnel Database (IPPD) system in compliance with the law.
- ii. That PIC/PAC committee to undertakes a comprehensive audit and verification of all payments for staff wages amounting to Kshs. 499.6 Million processed through manual payroll, to confirm their legitimacy and submit a detailed report to this Honorable House within a month of approval of this report.

RESOURCE ALLOCATION FRAMEWORK FOR THE SUCCEEDING FINACIAL YEAR FY 2026/2027

The County projects a total resource envelope of Kshs. 17,311,415,613 comprising of an Equitable Share at Kshs. 9,436,148,554; Grants at 2,371,879,400; and OSR at Kshs. 3,850,443,880.

Committee Observations

- i. The County OSR projection of Kshs. 3,850,443,880 for the next Financial appears over estimated taking into account historical performance trends.
- ii. The document only provides a projection of the resource envelope but does not outline expenditure breakdown with indicative sectors budget and the rationale for distribution of the budgetary resources amongst the respective Departments.

Recommendations

- i. The County Treasury to review its OSR projection and make a realistic target based on historical performance trends and the prevailing economic conditions to enhance budget credibility and avoid recurrent fiscal imbalances in the County Budget.
- ii. That, the County Treasury to review the CBROP FY 2024/25 and incorporate a detailed breakdown clearly disaggregating Sector allocations, with clear justification for the rationale for resources distribution across all Departments.

STAKEHOLDERS ENGAGEMENT (PUBLIC PARTICIPATION)

Honourable Speaker, the provisions of Article 196 (a) and (b) and 185 (4) of the Constitution of Kenya 2010, section 87 of the County Government Act, 2012 and section 207 of the PFM Act, 2012, has placed the public at the center of decision making and a say in the consideration and approval of County Policies and Plans. In this regard, the County Assembly through the County Budget and Appropriations Committee undertook public hearings across all the Thirty-Five (35) wards of Kisumu County from 13th to 16th January, 2026 and additionally requested for submission of memoranda following an advertisement placed in local dailies (see annex II). In these hearings the Committee interacted with residents of Kisumu County who submitted their views which the Committee has presented in this report as (see annex III).

Hon. Speaker, it is equally important to record that the Committee did not receive any memoranda from the public an indication that members of the public largely agreed with the contents of the document.

Key Observations & Findings.

1. General Concerns regarding the status of bursary disbursement for the previous Financial Year.
2. Variation of BQs from descriptions provided in the approved budget.
3. Some projects are continuously budgeted for over the years without implementation.
4. That implementation status reports provided for some projects is inaccurate.
5. Lack of effective mobilization framework for members of the public to attend public participation.

6. There is Contractors and supplier's apathy to undertake county projects due late/delayed payments severely impacting project implementation.
7. There is weak monitoring and evaluation framework in the county leading to poor/substandard works.

SUBMISSIONS BY SECTORAL COMMITTEES

Honourable Speaker, Honourable Members, the County Assembly of Kisumu Standing Orders No. 189 and 193 mandates various sectoral Committees to study the program and policy objectives of Departments and the effectiveness of their implementation.

To effectively examine the fiscal and expenditures performance of their respective Departments as contained in the CBROP FY 2024/25, the Sectoral Committees held robust consultative engagements with their respective line Departments on 15th & 16th December, 2025.

After diligently interrogating the CBROP, the sectoral Committees submitted their observations and recommendations to CBA Committee for action and consideration. The County Budget and Appropriations Committee critically reviewed the sectors' submissions during a joint consultative meeting that brought up the County Treasury convened from 27th to 31st March, 2026 in Nairobi.

In this report, we have elaborately taken into account various recommendations proposed by the Sectoral Committees.

Mr. Speaker Sir and Hon. Members, a comprehensive consolidated sectoral Committee Report is presented under (Annex IV) of this report.

Conclusion

Honourable Speaker, THAT Pursuant to Article 185 (4) of the Constitution and in fulfillment of the provisions of section 104 (1) of the County Government Act, 2012, I propose to this House to approve the Kisumu County Budget Review and Outlook Paper FY 2024/2025. Mr. Speaker, I therefore call upon Honourable Seth Okumu to second.

(Hon. Seth Okumu bows)

The Speaker (Hon. Oraro): Honourable Members, now that the Select Committee on County Budget and Appropriation Committee Report on it's consideration of the Kisumu County Budget Review and Outlook Paper Financial Year 2024-2025 have been moved and seconded, as per our Standing Orders, I want to propose a question and I propose that the Motion adoption of the

Report of the County Budget and Appropriation Committee on the Proposed Kisumu County Budget Review and Outlook Paper 2024-2025 is open for debate.

The Speaker (Hon. Oraro): Yes, Honourable Pamela Oyoo of Migosi Ward.

Hon. Oyoo (MCA, Migosi): Thank you, Mr. Speaker. I stand to support the committee report on the Kisumu County Budget Review Outlook Paper for the fiscal year 2024/2025. I have listened to what the Deputy Chairperson, Select Committee on Budget and Appropriation, has read and I have seen a few areas I want addressed.

Mr. Speaker, I have realised as a Committee Member that there is Low Absorption Rate on Development Expenditure. I believe that we need to improve on our Absorption Rate and also improve on our Own-source Revenue collection.

Mr. Speaker, I want to speak on the issues of Conditional Grants where lot of money has not been released to the County. I believe that these moneys should be followed up and we should get development on time. I want to say I support the report it is a detailed one and I want to ask the County Executive Committee Member, Finance and Economic Planning to look at the Absorption Rate in all departments. Thank you, Mr. Speaker.

The Speaker (Hon. Oraro): Yes, Honourable Benny Pete Oiko.

Hon. Oiko (MCA, Kabonyo/Kanyagwal): Mr. Speaker, the report is flowing and the recommendation of this House Committee is also overwhelming. They have given us the true picture of the financial position of Kisumu County. Mr. Speaker, if the Assembly would be serious on the report as presented today, I believe that our oversight role would be felt and this is because, when we look at this report, we are being informed that the Absorption Rate is very poor both on Recurrent and Development Expenditure Components. There is always the outcry that projects are never done. Now we need to ask ourselves, what is happening with the County Executive, if this is the picture that we get when the CBROP report is presented before this assembly.

Mr. Speaker, the picture we get here is that there is something wrong with the system which we have closed our eyes to, or we have decided to take for granted. Mr. Speaker, this comes on the matter of Procurement. The last financial year we are now looking at, when did procurement process start? The procurement process started last year in February. When the procurement process starts in February, yet when we are passing the budget in this House, the Budget and Appropriations Committee informs us that matters of Procurement we should start looking into it by August. Hence, the first half of financial year ends without us opening our mouth on matters of procurement. When four months are remaining to the end of the financial year, that is when

we dream that projects are there, and why are procurement matters not active. It is a very big weakness on the side of the County executive.

Mr. Speaker, when we look at this report, we find that the percentage performance is very alarming.

Mr. Speaker, if we take a look at page 13, we look at Education; the Recurrent Expenditure is Ksh. 217,842,020 million. Out of that amount, only about Ksh. 46 million was spent, totalling to 21%. How serious is the County Executive with this? When we go to Development Component, it was Ksh. 255 million, and only Ksh. 117 million was spent. We must pull up our socks on this matter of oversight. When exactly should we demand that implementation starts? Let the report not just be brought here for the sake of it, like this kind of report. It is read, at the end of it we shall adopt it, but we do not follow.

Mr. Speaker, look at the City of Kisumu with a Development Allocation of Ksh. 912 million, but only Ksh. 156 million was spent, representing 17%. This shows that the wards within the city are really suffering.

Mr. Speaker, the Agriculture Department is also suffering the same thing. The percentage development allocation is Ksh. 310 million, but what was spent is only Ksh. 164 million.

So, Honourable Members, we need to pull up our socks on this matter.

Mr. Speaker, on matters of Conditional Grants, we must investigate if we are serious in this out. If we were to get Ksh. 2.1 billion on grants, and we received Ksh. 1.1 billion, it means that Ksh. 965 million was not received. What are the problems that are there as to why we cannot receive substantial amount on Conditional Grant? The County Assembly must take the County Executive to task so that we establish this.

Mr. Speaker, another matter is on Pending Bills. We are getting informed here that on matters of pending bill, the outstanding amount by the end of the financial year was about Kshs1.5m on Development and the Country Treasury acquired a bank overdraft facility of Kshs 2.6 billion. Mr. Speaker, I remember when we are passing the Budget Estimates by giving the County Executive power to borrow; they were going to borrow money for their salaries. And these monies were to be settled when the exchequer gave them the money by the end of every month.

Mr. Speaker, if by the end of the Financial Year, the overdraft was Kshs 2.6 billion, one would now ask, what was the Closing Balance by the end of the Financial Year? And this Closing Balance by the end of the so Financial Year, has it been received by the county Executive? This is also a matter that needs to be investigated that we just do not take things for granted.

Mr. Speaker, the overall picture of this report is that the Budget and Appropriations Committee is informing this House that things are not good with the County Executive. Besides, if we do not become keen on how money is being spent by the county Executive, the Pending Bill may be alarming and the Kisumu County Government may find it difficult to service some of its work or the bills as they fall due.

In addition, Mr. Speaker, this report should be further interrogated so that we find out exactly what is happening. That is because; it gives us a blank picture of the financial position of the Kisumu County Government. Mr. Speaker, before I submit, I would say that, you see, this is not a report whereby I would come up and say I support or reject but rather one which needs further interrogation as well as more investigation, so that the county Executive is taken to task and the true financial position of Kisumu County is shown to the people of Kisumu. I wish Honourable Members will also see that picture of the financial position of this report and that is where Kisumu County is. I so submit.

The Speaker (Hon. Oraro): Honourable Bennie, this is a motion which you need to either support or oppose.

Hon. Oiko (MCA, Kabonyo/Kanyagwal): Mr. Speaker, I was also just forgetting something on Cess. When you look at this report on Cess, we are being informed here on page 11 that during the previous financial year, Cess was estimated at Kshs 27 million, and what was actually collected was...

The Deputy Leader of Majority interjects with a Point of Order)

The Speaker (Hon. Oraro): What is your point of order, Deputy Leader of the Majority?

The Deputy Leader of the Majority (Hon. Owade, MCA, South East Nyakach): Mr. Speaker, is it in order for an Honourable Member, having submitted or having debated, to come back again to contribute after exhausting his allocated minutes? Mr. Speaker, I remember you only guided or asked the Member to say whether he supported or opposed. What the member is doing is not exactly what you asked him to do.

The Speaker (Hon. Oraro): Honourable Member, I was also wondering aloud what is happening with the Member, who is a ranking Member and knows what debate is about. What we are discussing is a Motion, so you either support it or oppose it. You can support with amendments, and there is a procedure for doing amendments. You can fully oppose it. Once you have exhausted your time, you cannot find your way back into the debate. So, I was just observing the member, but I was going to rule him out of order. Thank you, Honourable Deputy Leader of the Majority.

The Speaker (Hon. Oraro): Honourable Seth Okumu, I saw you up.

Hon. Pete (Kabonyo Kanyagwal): Mr. Speaker, the debate was sweet; that is why I came back.

The Speaker (Hon. Oraro): Yes, Honourable K'Omudho.

Hon. K'Omudho (MCA, Muhoroni/Koru): Many, many thanks, Honourable Speaker. Again, to my fellow colleagues, it is a pleasure to be privileged to comment slightly on the wonderful report presented by the able Chairperson seated next to me of the Budget and Appropriations Committee.

Honourable Speaker, a number of illustrations are, of course, described a number of dimensions. For anyone to oppose this, it would only be fair, Honourable Speaker that you check with the relevant department for further details. Otherwise, the report is accurate and detailed. Otherwise, the report is quite descriptive. And I support the report. Many, many thanks, Honourable Speaker.

The Speaker (Hon. Oraro): Yes, Honourable Eunice.

Hon. Alandoh (Nominated): Thank you, Mr. Speaker. Going by the mood of the House, may I call the Mover to reply?

The Speaker (Hon. Oraro): Honourable Warindu.

Hon. Warindu (MCA, Miwani): Thank you for this opportunity, Mr. Speaker. Again, Mr. Speaker, the CBROP always gives us a clear indication of how the County performance is. When we are making a budget, Mr. Speaker, we had a proposed projection of Ksh 15 billion, but the actual receipt, Mr. Speaker, was only Ksh 12 billion. That means we had a deficit or budget hole of Ksh 3 billion.

That is actually what usually happens when a budget is prepared. When we are making a budget, it is still a proposal, but we always work with what is actually received. Many times, Members sometimes accuse the County Executive or the Budget and Appropriations Committee on how some projects have not been implemented or how some budget proposals have not been implemented. But in reality, it depends on the actual amount that is received. That is what this report is giving.

Honourable Members have talked about the Low Absorption Rate; both on Recurrent and Development Expenditures, but the development one was too low. Actually, this House Committee has given a recommendation, and this recommendation has always been given that the procurement of the development projects be done within the first half of the financial year. Mr. Speaker that is the extent to which this house Committee can act. However, implementation is undertaken by other entities, and at times there are challenges beyond the control of the Budget and Appropriations Committee.

Again, on the issue of Low Absorption rate, Mr. Speaker, the report was specific to the Department of Education. As we are all aware, a significant factor was the large portion of the Bursary Funds that was not implemented, which greatly affected the absorption rate within that department.

Regarding Conditional Grants, Mr. Speaker, many of these are conditional in nature and therefore outside the direct control of the County. This is why this House Committee recommended that the Governor, through the Council of Governors, IBEC, and IGTRC, engages and strengthens coordination with the National Government to ensure timely disbursement of Conditional Grants for effective implementation of programmes.

Mr. Speaker, on Pending Bills, the Committee's recommendation to the County Executive is clear and self-explanatory. In addition, this House Committee recommends that the County Treasury submits to the County Assembly, within one week of adoption of this report, a detailed report on all Short-Term Borrowing undertaken during the Financial Year 2024/2025. This should include the financial institutions involved, amounts borrowed from each, the terms and conditions, and a clear account of how the funds were utilized.

Mr. Speaker, upon adoption of this report, we shall rely on the Select Committee on Implementation to ensure that these recommendations are adhered to. As Members of this Assembly, it is important for us to fully understand how the County operates. I only wish that those Members who have raised concerns regarding implementation of budget programmes were present to appreciate how the projected funds were received and expended. With those remarks, Mr. Speaker, I beg to reply. Thank you.

The Speaker (Hon. Oraro): Honourable Members, now that the Motion on the adoption of the Report of the select Committee on County Budget and Appropriations on the Proposed Kisumu County Budget Review and Outlook Paper for the Financial Year 2024/2025 has been moved, seconded, debated, and a reply made, I now wish to put the Question on its adoption.

(Question put and agreed to)

The Speaker (Hon. Oraro): Honourable Members, the report of the Report of the County Budget and Appropriations Committee on the Proposed Kisumu County Budget Review and Outlook Paper for the Financial Year 2024/2025 has been adopted today Tuesday 21st April, 2026 at 15:33 hours.

Consequently, I direct that the recommendations of the same report be communicated the relevant departments for action that the House Committee on Implementation to follow up on the same.

The Speaker (Hon. Oraro): Next order!!

ADJOURNMENT

The Speaker (Hon. Oraro): Honourable Members, please be upstanding. There being no any other business to transact, the House stands adjourned until tomorrow Wednesday 22nd April, 2026 at 09.00 a.m.

(House rose at 3.34 p.m.)

Addendum

Hansard Team

Zablon Otiende – Assistant Director, Hansard & Information Services

Patrick Okoyo – Senior Hansard Reporter

Faniel Okode – Senior Hansard Reporter

Vallery Achieng’ – Senior Hansard Reporter

Jesca Otieno – Senior Hansard Reporter

Edward Odanga – Hansard Reporter

Jackline Otieno – Hansard reporter

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