

COUNTY GOVERNMENT OF KITUI



THE COUNTY ASSEMBLY OF KITUI  
SECOND ASSEMBLY – (THIRD SESSION)

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REPORT BY THE COMMITTEE ON LIAISON DELEGATION  
ON

PUBLIC SECTOR REVENUE BUDGETING AND PRUDENT FINANCIAL  
MANAGEMENT TRAINING WORKSHOP HELD IN UNITED ARAB  
EMIRATES.

Clerks Chambers  
Kitui County Assembly Building  
Po Box 694-90200  
KITUI.

May 2019



## LIST OF ABBREVIATIONS /ACRONYMS

ADP-Annual Development Plan

CFSP-County Fiscal strategy Paper

CIDP-County Integrated Development Plan

GDP-Gross Domestic Product

KCWEP-Kitui County Ward Equalisation Programme

PPP-Private Public Partnership

SWF-Sovereign Wealth Fund

UAE-United Arab Emirates

USD- United States Dollar

VAT-Value Added Tax

## 1.0 PREAMBLE

Mr Speaker Sir,

On behalf of the Members of the Liaison Committee and pursuant to provisions of Standing Order 191(1) it's my privilege to present to the House the Committee report on the Training workshop on Public sector Revenue Budgeting and prudent financial management conducted on 10<sup>th</sup> May 2019 to Friday 18<sup>th</sup> May 2019 in United Arab Emirate courtesy of Birmingham Leadership and Development Centre. (BLDC)

## 1.1 COMPOSITION OF THE DELEGATION

Mr Speaker Sir,

Liaison Committee is composed of Seventeen (17) Members who are the chairpersons of various Sectoral and Select Committees. Upon receiving the invitation dated 9<sup>th</sup> April 2019 the Committee nominated the following members to represent the Committee:-

1	Hon. Emeritus Kasee Musya	(Leader of the delegation)
2	Hon. David Thuvi	MCA
3	Hon. Jehoshaphat Nzamba	MCA
4	Hon. Munyoki Mwinzi	MCA
5	Hon. Dr. Grace Mutua	MCA
6	Hon Sylvester K Munyalo	MCA
7	Mr. Patrick Kyalo Mutua	Secretariat

## 1.2 MANDATE OF THE COMMITTEE

Mr Speaker,

Pursuant to the provisions of the Standing order No.191 (1) the committee is mandated to:-

- i. Guide and co-coordinate the operations, policies and mandates of all Committees.
- ii. Deliberate on and apportion the annual operation Budget among the Committees.
- iii. Consider the programmes of all Committees, including their need to travel and sit away from the precincts of County Assembly.
- iv. Ensure that Committees submit reports as required by these Standing Orders

- v. Determine, whenever necessary, the Committee or Committees to deliberate on any matter.

### 1.3. BACKGROUND AND JUSTIFICATION OF THE TRAINING WORKSHOP

**Mr. Speaker Sir**

Since inception of devolution, Kitui County government has been experiencing revenue budgetary pressures from the rising spending on devolved functions; flagship infrastructural projects and persistent increase in the Public wage Bill. This has resulted to constraining of the available resources and financial management particularly in the allocation and utilization of available resources prudently.

Other challenges have been occasioned by inability by the public officers not only to budget within established limits, but also keep expenditures beyond the budget limit. This raises the need to develop better means of managing, controlling and ensuring proper utilization of public resources thus consequently the calls for accountability have become increasingly louder.

**Mr. Speaker sir,**

The Kitui County being one the semi-arid areas in Kenya can learn, model and experience that can provide insightful lessons to our semi-arid county. A true practical exposure to be possibilities on our largely semi-arid region can be turned round to unforgettable, inspirational invaluable lessons to a model economic giant as envisaged in the principles of the devolution.

It is on this basis that the committee found it prudent to attend the workshop on Public sector revenue budgetary and prudent Financial Management. The training was meant among others to enhance members' oversight skills and mastery of budgetary making process, revenue management process and ensuring prudent use of public resources as enshrined in Kenya Constitution 2010.

#### 1.4 SPECIFIC OBJECTIVES OF THE WORKSHOP

Mr. Speaker sir,

The training workshop was tailored to achieve the following objectives:

- i. Learn ways of managing resources more efficiently and to formulate implement and enforce sound financial policies and regulations.
- ii. Learn Methodologies of establishing expenditure monitoring and evaluation system.
- iii. Create effective internal controls systems to ensure that funds are spent in line with the approved budgets ceilings.
- iv. Learn Effective oversight measures and processes of implementation of public financial policies.
- v. Equip honourable members with requisite skills for effective oversight on accountability of public funds.

#### 1.5 ACKNOWLEDGEMENT

The Committee wishes to record its appreciation to the office of the speaker and that of Clerk of the County Assembly for facilitating the Committee to undertake this important exercise. We also acknowledge and thank the organizers and the facilitators of the workshop and all the parties from the areas that the committee visited for their warm reception and unwavering support accorded.

Mr. Speaker sir,

It is my pleasant duty and privilege, on behalf the members of the delegation to table this report and recommend it to the House for adoption.

SIGNED



DATE

17/08/2020

HON. DAVID THUVI

DESIGNATED MEMBER, COMMITTEE ON LIAISON DELEGATION

*Report prepared by Patrick Kyalo Mutua-Clerk Assistant*

## Background of United Arab Emirates

Mr. Speaker Sir,

The United Arab Emirates (UAE) consists of the seven small emirates of Abu Dhabi, Dubai, Sharjah, Ras Al-Khaimah, Ajman, Umm Al-Qaiwain, and Fujairah, which were united as a federal state. The UAE covers 83,600 square kilometers and is located on the Arabian (Persian) Gulf with a GDP of 432 billion USD and a Per Capita income of 39145.39 USD in the year 2018.

It shares land borders with Oman, Qatar, and Saudi Arabia. The seven emirates vary greatly in size. Abu Dhabi represents 85 percent of the land, and the smallest emirate is Ajman. Each emirate is named after its capital city, and Abu Dhabi City is the permanent capital of the nation.

The UAE has a dry climate with very high temperatures and humidity in the summer and Has a federal government made up of several organs: the president and his deputy, the Supreme Council, the cabinet, the Federal National Council and an independent judiciary with a federal supreme court. The cabinet consists of ministers drawn from the ruling families of the emirates.

The fact that the traditional tribal system of government each emirate was based on similar political principles facilitated the establishment of the UAE. Hereditary dynastic family rule still operates in each emirate as a local government system under the umbrella of the federal system.

Members of the ruling families occupy the most important positions in political administrations and governance. While the political system continues to retain some of its traditional values at formal and informal levels, it has been able to keep pace with economic and social change.

The development of the infrastructure has been impressive. The welfare system offers free-state services for all nationals, including high-quality health care, education up to the tertiary level, social security, family allowances, subsidized electricity, water bills and housing for low-income groups.

This is a major way of distributing wealth generated from the natural resource (oil) among the national population. The immigrant population also benefits to some extent, particularly in regard to medical health care. [https://www.government.ae-fact sheet](https://www.government.ae-fact-sheet)

## **Factors which Led to the Modernization of United Arabs Emirates.**

### **1. Infrastructural development**

Dubai has invested a lot of money on infrastructure and prides itself of having some of the best infrastructure in the world. Dubai's road, air and sea network is well developed and this has eased transportation in and around the city. Dubai boasts of an efficient metro rail, waterways, air transport and water transport which cater for its more than 5 million human populations.

### **2. Tourism**

Tourism in United Arabs Emirates, accounts for a large amount of foreign exchange received. There are many tourist attractions sites which include culture, architecture, shopping among others. Dubai has been nicknamed as the "City of gold" due to the many retail outlets trading this precious mineral. Other tourist attractions include the parks, ski resorts, zoos, circus, tours, and buildings including the worlds' tallest among other attractions.

### **3. Political stability**

Political stability is a key factor which influences investment in any destination. Investors can only invest in a region where there is a reasonable return on investment. This can only occur if there is political stability and goodwill. Dubai enjoys relative political stability, which has driven its economic growth. The UAE has enjoyed political stability over the years.

### **5. Strategic Location:**

Dubai is a time zone bridge between the Far East and Europe on the East-West axis and Africa on the north-south axis. It is a gateway to a market that can be characterized as: Large, growing, Prosperous, diversified, open and Accessible.

### **6. World Class Infrastructure and Service Sector:**

Dubai's deliberate policy of investing heavily in transport, telecommunications, energy and industrial infrastructure has enabled it to have one of the best infrastructure facilities



in the world; it also contributed significantly both to its ongoing prosperity and attractiveness to international business.

## **2.0 HIGHLIGHTS OF THE PRESENTATION DURING THE WORKSHOP**

**Mr. Speaker Sir,**

The topics that were covered during the training workshop in addition to the study visit to some of the site to enable the delegation make a comparison with our county include:-

- i. Comparative look of Kenya and UAE
- ii. Public sector Budgeting
  - Overview of Budget and its Fundamentals
  - The importance of Budgeting.
  - Types of the budgets,
  - Public budgeting system
  - Budgeting challenges
- iii. Leadership and Ethics
  - Elements of Leadership
- iv. Governance-
  - Definition of governance
  - Principles of good governance
  - Nation Competiveness in 4<sup>th</sup> Industrial revolution(Principles)
- v. Revenue management and policies

### **2.1 Comparative look of Kenya and UAE**

**Mr Speaker Sir**

The Constitution of Kenya places a responsibility to all public officers to exercise prudence in utilization of public resources in the most optimal use to effect positive sustainable change to livelihood of all Kenyans.

Over 50 years since independence Kenya has trailed behind as opposed to her peers like Malaysia, Singapore and Dubai just to mention a few, this has been occasioned by poor leadership in the management of available limited resources, imprudence, poor governance and lack of Accountability in the public sector.

During this study visit the Committee noted remarkable land marks which identified UAE as tourism destination, this includes and not limited to:-

1. Burj Khalifa
2. Burj Arab
3. UAE heritage village
4. Real estate investments,

Mr. Speaker sir, Dubai is one of the finest cities in the UAE but is also one of the most expensive in the world, with the major revenue from the real estate such as hotels, residential and commercial properties, recreational and leisure facilities, The biggest revenues currently contributing to Dubai's riches are from real estate, tourism and finance.

## 2.2 Budget Overview

Mr. Speaker Sir,

A budget is a detailed quantitative plan for access to and use of financial resources over a specified period of time, In general a budget is an estimation of revenue and expenses over a specified future period of time; a county budget is a document representing the county's proposed revenue and spending for a given financial year.

The County government budget is an annual financial statement which outlines the estimated county expenditure and expected revenues for the forthcoming fiscal year. Depending on the feasibility of these estimates, budgets are of three types

- i. **Balanced budget**-this is the budget whose expenditure is equal to the expected government revenue in a particular financials year, in other words the Revenue is equal to Expenditure. This kind of budget ensures economic stability if the government implements the budget successfully and finally ensure that the county government refrains from unnecessary expenditure.

- ii. **Surplus budget**-this is the budget whose government revenue exceeds the estimated expenditure in a financial year, this means that the governments earnings from taxes levied are greater than the amount the government spends on public welfare. Such budget can be implemented at times of inflation to reduce aggregate demand. The advantage of this surplus budget to the county government will lead to more savings, no borrowing meaning no interest rate, has a strong fiscal discipline and an increase in viable development opportunities.
- iii. **Deficit budget**-a government budget is a deficit budget when the government estimated expenditure exceeds the expected revenue collection in a particular financial year. This budget is helpful in times of recession, and helps generate additional demand and boost the rate of economic growth.

The benefits of this deficit budget to the county government helps in addressing unemployment at times of recession and enables county to spend on public welfare, however this on the other side increase the burden on the government by accumulating debts or pending bill in our case.

## 2.3 Fundamentals of Public sector Budgeting

Mr. Speaker Sir,

The main purpose of budgeting is to plan effectively, establish control measures and supporting the achievement of strategic plans by:

- i. Translating the long-term plan into an annual work programme.
- ii. Coordinating the various departments of an entity to ensure they are working in harmony. A budget requires managers to consider the relationship between their operations and those of other departments. Otherwise, managers might make decisions in their own interests, rather than the county's best interests.
- iii. Communicating plans to those who will be held accountable. Each department or individual should understand what role they play in helping the county achieve its plans.

Budget planning and preparation should be at the heart of good public expenditure management. To be fully effective, public expenditure management systems require four forms of fiscal and financial discipline:

1. control of aggregate expenditure to ensure affordability; that is, consistency with the macroeconomic constraints;
2. effective means for achieving a resource allocation that reflects expenditure policy priorities;
3. efficient delivery of public services (productive efficiency); and
4. Minimization of the financial costs of budgetary management (i.e., efficient budget execution and cash and debt management practices).

## 2.4 Budgeting Cycle

Mr. Speaker Sir,

The budget making process comprises of the following phases;

- i. **Planning** is vital in the budgeting process as no public funds shall be appropriated without development plan documents as per section 104&107 of the CGA and Article 220 of the Kenya constitution 2010 (CIDP ADP & CFSP)
- ii. **Budget formulation**-this entails determination of budget estimates of the resource envelop, issuance of budget circular to guide the process and preparation of budget document.
- iii. **Budget approval**- County Fiscal Strategy Paper, Budget estimates, Appropriation Bill and finance Bill-the County Assembly takes a leading role in examining and approving this documents.
- iv. **Budget implementation and Monitoring** –the county executive implements the budget estimates and County Assembly oversight the project implementation.
- v. **Budget evaluation and Auditing**-in this stage the government agencies and department report on expenditure and the Auditor general carries out the Audit.

## 2.4.1 The importance of Budget Making Process to County Government

- i. Improve acceptability-this will ensure that the budget has input of the county assembly members and members of the public.
- ii. Openness-help to accommodate any emerging issues in the budget making process.
- iii. Accountability and Fiscal transparency -helps in prudent utilization of the public funds.
- iv. Equity-this will enable evenness in allocation of resources equitably in all wards across the county.
- v. Good governance- this is an approach of the county government to appreciate the inclusivity of gender balance, marginalized groups and people living with disabilities in accessing the systems of county government.

## 2.5 Public Sector Budgeting Systems

Mr. Speaker sir,

Public sector budgeting systems have been modernized in recent decades for the need of Performance, Efficiency and Accountability.

Our county will not achieve the level of development we require unless we are able to observe optimal operations efficiency .There are many budgeted projects that have not yet been implemented over years, this county Assembly has the role to play to ensure projects budgeted for are implemented on time.

### Pubic sector Budgeting Systems Challenges

Mr. Speaker Sir,

There are often weaknesses in budget preparation systems: their nature, scale, and magnitude need to be clearly understood, in order to mitigate such challenges by the County Treasury. Five common challenges areas identified are:-

1. The macroeconomic constraint is not explicitly taken into account in the budget process, or the economic assumptions underlying the estimated costs of expenditure on programs are weak or erroneous.
2. The county government budget is not really unified. It is a dual-budget system with separate recurrent and capital or "development" budgets that may be based on inconsistent macroeconomic assumptions, budget classifications, or accounting rules. Each budget may be compiled by a different ministry for example, the ministry of finance for recurrent expenditures and a planning ministry for capital or "development" expenditures.
3. Projections for the outturn of the previous and current years' budgets are not prepared, or the experience to date is not analyzed, so that budget preparation becomes a simple incremental exercise based on the previous years (often erroneous) budget estimates.
4. Satisfactory procedures do not exist for review of expenditure policies and program prioritization.
5. There is no multiyear planning and if at all it exist it is not adhered to the letter e.g. County Integrated Development Plan (CIDP).

## 2.6 Capital Investment

Mr. Speaker sir,

Capital investment is the acquisition of a piece of tangible assets which meets the minimum established value amount, capital investment have future value compared to operational expenditure which present benefit of limited duration. At the same time, the decision are governed by guidelines/regulations and directives issued by the government.  
*<https://www.investopedia.com/terms/c/capital-investment>*.

### Why Public Sector Makes Capital Investment?

- i. Concerns for the public's best interest (safety, security, hazard avoidance, providing a public good, alleviating a public burden etc.
- ii. Supporting existing infrastructure.

- iii. Adding new value to the agency, the general public and /or industry.
- iv. Complying with a government executive or congressional order.
- v. Creating an efficiency within the government

#### **Evaluating Major Capital Investment by Public Sector**

- i. **Cost-** first and most basic question a county must answer before pursuing a project, is Identifying the cost, which includes the actual purchase price of the assets along with any future investment costs, determines whether or not the county can afford to take on such a project.
- ii. **Value-** importance and usefulness of the capital project towards intuitional infrastructure, service delivery and overall economic growth among others.
- iii. **Efficiency-** allocation of resources of the county government with minimum waste and loss.
- iv. **Stakeholder-**a person, organization, community, political party, funder and or department that can influence the project and of benefit or be affected by the outcome of the project.
- v. **Cash return-**once the costs have been identified, Executive must determine the cash return on that investment. An affordable project that has little chance of recouping the initial investment, in a reasonable period of time, would likely be rejected unless there were some unique strategic decisions involved.

#### **Reasons why Capital Budgeting is Important to the County Investment**

Mr. Speaker sir,

The committee learned that:-

- i. The capital budgeting on the county investment improves public understanding and knowledge of what are benefits of public funds.
- ii. The decision makers are given choices as the costs and benefits are clearly more defined-the county government through its capital investment will be in position to focus on its cost benefit analysis and make informed decision on the investment.

- iii. All the techniques/ capital budgeting try to increase shareholders wealth and give the county government/ an edge in the market.
- iv. The county government will have a better management and planning of the funds and also helps the government to estimate which project option would yield the best possible return.
- v. Capital budgeting helps a county government to understand the various risks involved in an investment opportunity and how these risks affect the returns of the county. Also, it allows Executive to abstain from over investing and under-investing.
- vi. Creation of job opportunities as well as Revenue generation-the county government will create employment through these investment projects and revenue through sales-KICOTEC and STONE CRASHER.

## 2.7 Public Sector Revenue Management

Mr. Speaker sir,

Revenue is the income generated/ earnings from sales of goods or services, or any other use of capital or asset, associated with the main operations of an organization/county government before any cost or expenses are deducted.

<https://www.businessdictionary.com/definition/revenue>.

There are two scenarios of revenue in the organization set up i.e. fiscal surplus and fiscal deficit revenue

Fiscal surplus is typically a good thing to have. A surplus refers to the excess revenues a business or government agency has after it has completed its budget. The surplus funds can then be appropriated for other expenses that may arise or they can carry over into the next budgeting period. Operating a budget with a surplus can result in positive economic growth.

Fiscal deficit revenue is regarded by some as a positive economic event. For example, economist John Maynard Keynes believed that deficits help countries climb out of economic *recession*. On the other hand, fiscal conservatives feel that governments should avoid deficits in favor of a balanced budget policy.

Mr. Speaker Sir,



In respect to fiscal deficit, the county governments are advised to cut spending, increase taxes, borrow from the financial institution, attraction on public savings and finally to seek for the central government for financial aid. On the other hand the surplus is good thing to have and operating surplus budget results to a positive economic growth (reserves funds-sovereign fund wealth)

### Sources of Revenue

- i. Developing own source of revenue –to achieve this method effectively the government should enhance the accountability of in charge officer for their action.

A tax instrument these are tools used to generate revenue and includes the following and not limited to:-Property taxes, local business taxes, green taxes for car owners, taxation of public utilities (phone services), retail sales taxes, personal income taxes, profit/corporate taxes, natural resource extraction taxes, VAT, excise taxes on alcohol/cigarettes

### Non-tax instruments:

- a. Fees for services (property registration, driving licenses); admin fees (passports, visas), fees at government schools/hospitals, fines
  - b. Charges (water & sewerage, electricity, parking, garbage collection, urban transportation and road use/tolls, kindergartens and residential care for the elderly, museums, parks, and sport facilities)
- ii. Intergovernmental transfers & revenue sharing it is money comes from the ordinary revenue the national government raises nationally. The Senate then allocates the equitable share for the counties from the vertical share horizontally among counties
    - a. Unconditional equalization grants
    - b. Conditional grants (e.g. reduce poverty, increase air quality)
    - c. Matching arrangements (half from the center & half from the local government)

- d. Capital grants (for local infrastructure development)
- e. **Sovereign wealth funds** -the Purpose of this fund is to save revenue (create cash reserves) build savings for future generations in order to ensure inter-generational equity, and for stabilizing budgetary expenditures in the event of fluctuations in the price of the natural resources.

Usually this sovereign wealth fund is created by governments that have a budgetary/fiscal surplus (revenue from natural resources) & little or no international debt

iii. **Other sources of revenue:**

- *Borrowing* (given for creditworthiness; controlled through rules with limits & transparent accounting):
  - Municipal/state/governmental bonds
  - Banks loans
- Municipal/state development funds
- Funds from *institutional investors* (e.g., pension funds)
- Public-Private Partnerships (*PPP*) (private developers build public infrastructure in exchange for public land)

### 3.0 LEADERSHIP AND ETHICS IN PUBLIC SECTOR

Mr Speaker Sir,

Leadership is a process by which an executive can direct, guide and influence the behavior and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a senior officer to induce the subordinates to work with confidence and zeal.

Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

Ethics are desirable and appropriate values and morals according to an individual or the society at large. Ethics serve as guidelines for analyzing "what is good or bad" in a

specific scenario. Correlating ethics with leadership, we find that ethics is all about the leader's identity and the leader's role.

**Mr. Speaker Sir,**

Chapter six of the constitution 2010 outline the responsibilities of the leadership and authority as assigned to state officers:-

(a) is a public trust to be exercised in manner that –

- i. is consistent with the purpose and the objects of the constitution.
- ii. demonstrate respect for the people.
- iii. bring honor to the nation and dignity to the office and
- iv. promote public confidence in the integrity of the office  
promote confidence

(b) the guiding principles of leadership and integrity includes

- i. selection, recruitment and promotion on personal integrity, competence and suitability..
- ii. objectivity and impartiality in decision making and ensuring decision are not influenced by nepotism, other improper motives and corruption.

#### **4.0 Good Governance in the Public Sector**

**Mr. Speaker Sir**

Good governance is an ideal which is difficult to achieve in its totality. Governance typically involves well-intentioned people who bring their ideas, experiences, preferences and other human strengths to the policy-making table. Good governance is achieved through an on-going discourse that attempts to capture all of the considerations involved in ensuring that stakeholders' interest are addressed and reflected in policy initiatives.

Good governance guarantees:

- i. compliance with law and regulation
- ii. that an organization is well run and efficient
- iii. that problems are identified early and dealt with appropriately
- iv. the preservation of the reputation and integrity of the public sector.

In the county government good governance is all about delivering priorities, achieving objectives, behaving with integrity & acting in the public interest.

#### **Principles that Forms Public Service Delivery**

- i. Maintenance and promotion of high standards of professional ethics each individual is to deal with issues, whether positive or negative, in a mild and straightforward manner whenever possible.
- ii. Development oriented public service delivery.
- iii. Public service must be provided with impartiality, fairly and equitable and with no bias; people's needs must be responded to and public must be encouraged to participate in policy making.
- iv. Transparency must be fostered by providing the public with timely, accessible and accurate information and
- v. Public administration must be accountable- it reminds individuals that while they are employed by a professional organization they will be held liable for their actions.

**Mr. Speaker sir,**

Good governance can be achieved through an on-going discourse that attempts to capture all of the considerations involved in assuring that stakeholder interests are addressed and reflected in policy initiatives, in this basis therefore the county government should sensitize the public on importance of public participation through civic education, develop the legal framework to guide and safe guard public participation as enshrined in Article 196 Kenya constitution 2010

## **5.0 THE COMMITTEE'S FINDINGS AND LESSONS LEARNED**

**Mr. Speaker Sir,**

There is a lot learned from both the training presentations and tour of the UAE which is applicable to our county includes the following:-

- i. UAE policy of investing heavily in transport, telecommunications, energy and industrial infrastructure has enabled her to have one of the best infrastructure

facilities in the world; it also contributed significantly both to its ongoing prosperity and attractiveness to international business. Kitui County for a long time actually since independence has ignored the development of road infrastructures, as roads a major component of development of the economy through trade, transportation, this has not been good leading to the current state we are now in.

- ii. UAE has maximized and taken the advantage of its land mass being desert plenty of sand as major tourism attraction via desert drive around the dunes for fee, Kitui at large has a lot of tourist attraction site to mention a few we have Ingoo valley at Migwani, Nzambani rock which has historical and cultural belief attached, Kalundu Eco park, these are tourism sites if well tapped through adequate funding, can expand the economy of this county.
- iii. The revenue collection in the United Arab Emirates, systems of revenue have been developed and no single Emirati or expatriate can evade taxes or fine. However, levels of individual discipline is at far and also adherence to the ethical value.
- iv. We rely too much on our leaders on economic matters; after all we are their sponsors with our taxes. Dubai leaders long realized that and made it easier for economic players to do their work. It does not matter where they come from on this small planet but embraces professionalism and nationalism.
- v. The Dubai Mall is a shopping mall host thousands of fish and other underwater wildlife for tourist and residents to watch. Kitui County should come up with such innovations targeting the residents of Kitui and other counties, such as shopping malls, recreational facilities, and green parks will enhance development thus creating jobs boost local tourism and open up markets.
- vi. The committee learnt that crime, robbery, pick pocket and related evil are areas to avoid, we don't make it better by publicizing such crime, every country/county has dirty linen but never washed in public.
- vii. We never talk in one voice even matters of national importance, Even with new dispensation, counties are plagued with disagreement and infighting- which have

been characterized in our counties since inception have usurped the county energy leading to tired county that rarely renews itself.

## 6.0 COMMITTEE'S RECOMMENDATIONS AND CONCLUSION

Mr. Speaker sir,

The committee makes the following recommendations :-

1. The County Assembly should keep track on the Implementation of the county government budget through constant engagement with county budget officials from the onset of budget preparations; review of the county ministries reports to ensure that tax payer's money is spend prudently and for intended purposes.
2. Revenue collection in Kitui County has not fully been automated though in progress, the committee recommends to county treasury should implement stringent measures to enforce discipline and accountability by revenue collectors since adoption of technology alone will not be sufficient.
3. The Executive and the Assembly should carry out thorough Civic Education on Public Participation; this should be done noting that this is not only a legal but most importantly a constitutional requirement which reminds us that Sovereignty resides with the People and therefore, they must be consulted in matters of the County government importance.
4. The County treasury should adopt reform measures sought to revamp and strengthen revenue administration, enhance voluntary compliance, expand the tax base and address corruption induced revenue linkages for example, creation of local revenue authority in a bid to safeguard collection systems from political interference and adoption of VAT systems to curb tax evasion associated with sale tax.
5. Improving Expenditure Efficiency-Mr. Speaker sir, turning to expenditures, we must ensure that our scarce resources are used in the most efficient and effective manner. Accordingly, to actualize this, the County Government should. First, adopt a zero-based budgeting process to weed out non-priority expenditures from

the budget; second, adopt a policy of “no new projects” except those considered extremely necessary to ensure that Government completes ongoing projects;

6. The Wage Bill-the county wage bill continues to rise leaving fewer and fewer resources for development. Certainly, this is not a good practice and no meaningful development can be realized, unless we reverse the trend. Mr. Speaker, in order to address the ballooning wage bill in our county, the Committee recommends to County Public Service Board to restrict new recruitment to key technical staff and on necessity basis, further cleansing of the wage bill should be undertaken to root out ghost workers.

## CONCLUSION

Mr. Speaker sir,

Going forward this Assembly has the legal and fundamental mandate to evaluate, monitor, control and safeguard public funds. We committed ourselves to guard the constitution and any other legal provisions and ensure the Residents of this County get the equitable share in the County cake through service delivery and development projects.

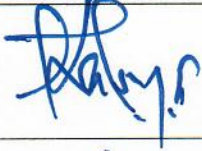
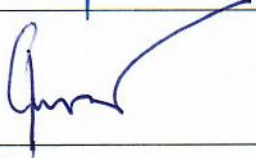



In this regard, the committee has come up with this report, and hereby requests the Honorable members to support and approve the recommendations there in for implementation.





## ADOPTION OF THE REPORT

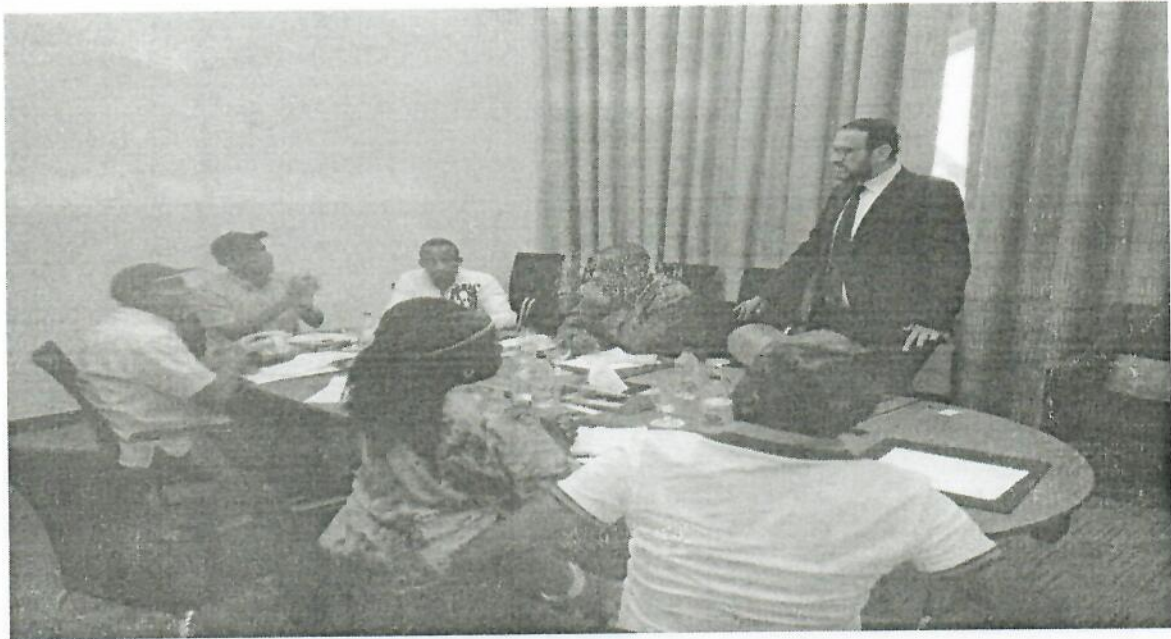
We members of the delegation of Liaison Committee have adopted this report on the training workshop Held in United Arab Emirates on Public Sector Revenue Budgeting and Prudent Financial Management and affix our Signature to affirm approval, Confirmation, Accuracy, Validity and Authenticity of the Report

NO	NAME	DESIGNATION	SIGNATURE
1	HON.EMERITUS K MUSYA	LEADER OF DELEGATION	
2	HON.DAVID THUVI	MEMBER	
3	HON.DR.GRACE MUTUA	MEMBER	
4	HON.MUNYOKI MWINZI	MEMBER	
5	HON.JEHOSHAPHAT NZAMBA	MEMBER	
6	HON. SYLVESTER MUNYALO	MEMBER	



## ANNEXURES

### ANNEX 1: PHOTO GALLERIES



*Budget cycle overview-by Mr.Yaser Darwin*



*Interactive Session of Public Sector Budgeting Processes.*





*Dr. Fountain taking members of delegation through Ethics and Leadership Session.*



*Governance Practices and Public Sector Revenue Management session.*

