REPUBLIC OF KENYA

COUNTY GOVERNMENT OF SIAYA

SIAYA COUNTY TASKFORCE ON SYSTEMS AUDIT AND GOVERNANCE REFORMS

FINAL REPORT

JANUARY, 2023

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LIST OF ABBREVIATIONS

ADP	Annual Development Plan
CEC	County Executive Committee
CECM	County Executive Committee Member
CGA	County Government Act No. 17 of 2012
CGS	County Government of Siaya
CHRMAC	County Human Resource Management Advisory Committee
CIDP	County Integrated Development Plan
COB	Controller of Budget
CPSB	County Public Service Board
DCI	Directorate of Criminal Investigations
EACC	Ethics and Anti-Corruption Commission
FY	Financial Year
IFMIS	Integrated Financial Management Information System
IPPD	Integrated Personnel and Payroll Database
LPO	Local Purchase Order
LSO	Local Service Order
OAG	Office of the Auditor General
OSR	Own Source Revenue
PFMA	Public Finance Act No. 18 of 2012
PPADA	Public Procurement and Asset Disposal Act No. 33 of 2015
UACA	Urban Areas and Cities Act No.13 of 2011
PPADR	Public Procurement and Asset Disposal Regulations of 2020
PMC	Project Management Fund

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FCPA Edward R. O. Ouko
CHAIRMAN

1. INTRODUCTION

The County Government of Siaya comprises the County Executive and the County Assembly headed by the Governor and Speaker respectively. The county implements its functions through 10 departments namely: Agriculture, Livestock and Fisheries; Education, Youth Affairs, Gender, Social Services and Sports; Enterprise and Industrial Development; Finance and Economic Planning; Governance and Administration; Health and Sanitation; Lands, Physical Planning, Housing and Urban Development; Public Works, Roads, Energy and Infrastructure; Tourism, Culture, Art and ICT; Water, Environment and Natural Resources and the Office of the County Attorney. In addition, there is Siaya County Public Service Board which is an autonomous agency, Siaya Municipal Board under the Department of Lands, Physical Planning, Housing and Urban Development and Siaya Bondo Water and Sanitation Company Ltd (SIBOWASCO) under the Department of Water, Environment and Natural Resources. All departments are headed by a County Executive Committee Member (CECM) with the Chief Officer as the accounting officer.

In line with the Constitution and County Governments Act 2012 (CGA, 2012), county service delivery points are at the headquarters, six sub-counties and 30 wards. The County headquarters is in Siaya town, Alego-Usonga sub-county. The six sub-counties are: Alego-Usonga; Bondo; Gem; Rarieda; Ugenya and Ugunja. Administratively, Gem sub-county was divided into two, Gem Yala and Gem Wagai. Sub-counties and wards are headed by administrators. The county is yet to operationalize villages as provided for in CGA, 2012 and the Siaya Village Administrative Units Act. Sub-county, wards and villages are functions that fall under the Department of Governance and Administration. Other county departments also have service delivery points at the sub-county and ward levels as informed by service exigencies.

Following assumption of Office of the Governor on the 25th August 2022, the Governor received departmental briefs from the County Executive Committee Members and their Chief Officers. During the briefs, it emerged that there are matters touching on the integrity of the governance systems which call for a comprehensive audit with a view to developing clarity on the state of affairs in the County Government. Consequently, the Governor constituted a Taskforce on the Audit of Siaya County Governments Systems and Governance Reforms on the 4th October 2022 (Annex 1) with the

following Terms of Reference:

a) Review of the existing financial and other internal control systems, processes and procedures of budget management and IFMIS operation;
b) Audit of Own Source Revenue collection and utilisation, integrity and efficiency of the County Government activities and supply chains, imprest account, retention accounts, pending bills, project management committee funds, payroll and staff establishment;
c) Assess and recommend reforms on governance structures and systems for the purposes of enhancement of efficient and accountable service delivery;
d) Advise the county on sector-based growth and development;
e) Advise on automation of county operations and E-governance.

1.1. SCOPE AND LIMITATION

The responsibility of the Taskforce was limited to a comprehensive analysis of the current structure and operations of the governance systems of Siaya County with a view to identifying strengths, weaknesses and opportunities for improved governance. This is with a view to ensuring improved service delivery. The focus of the taskforce is to derive a set of strategic interventions required to strengthen the capacity of the County of Siaya to improve on all areas of development indicators. The review focuses on the public finance system implemented by the county, pending bills, human resource management, governance and sector issues over the last three financial years i.e. financial year 2019/20 , 2020/21 and 2012/22.

2. METHODOLOGY

The Taskforce reviewed documents, conducted interviews and analysed data obtained to arrive at the findings. To get a better understanding and qualitative insights from the data that was shared from different departments, there was a need to follow a rigorous step-by-step data analysis approach. The data analysis process entailed reviewing, cleaning, structuring, and processing raw data, and extracting actionable, relevant information that would aid the Taskforce in making informed decisions. The procedure helped in reducing the risks inherent in making arbitrary conclusions by providing useful insights and statistics, which are presented in charts, tables, and graphs in the annexes. A schedule of the interviews conducted and list of documents reviewed is contained in Annex 2.

3. REVIEW FINDINGS

3.1. PUBLIC FINANCE MANAGEMENT SYSTEMS

Public Finance Management is guided by Chapter 12 of the Constitution. Effective and efficient public finance management systems, processes and institutions are critical in promoting our national interests while securing long term economic growth both at national and County levels. Article 207 of the Constitution establishes the County Revenue Fund and provides for setting up of other public funds at the county level; Articles 211 to 214 spell out provisions relating to borrowing and guarantees; Article 220 requires national legislation to prescribe the form, content and timing of budgets; Article 225 provides for financial controls at the national and county level; Article 226 requires an Act of Parliament to provide for financial records and audit of all accounts of governments and Article 227 provides for the principles to guide on public procurement.

The provisions of Chapter 12 of the Constitution are given effect by the Public Finance Management Act, 2012, the Public Finance Management Act (Reguations) 2015, the Public Procurement and Asset Disposal Act of 2015 and its regulations, the Controller of Budget Act 2016, and the Commission on Revenue Allocation Act, 2011. The PFMA Act, 2012 provides for the principles of public finance management, establishing systems and structures to ensure openness, accountability, public participation, equitable sharing of revenue and the tax burden, prudent and responsible use of public resources, responsible financial management and clear fiscal reporting.

The review of the financial management systems in Siaya County against the legislative and regulatory provisions revealed system weaknesses, gaps, breaches of controls, lapses and irregularities as outlined below:

3.1.1. Planning and Budgeting

The budgeting process is a regulated process provided for within the PFMA, 2012 with time lines set out in regulations. The process of budget making as regulated is largely adhered to by Siaya County. However, challenges occasioned by a poor working relationship between the Executive and the Assembly have sometimes led to the Assembly taking an inordinately long time to pass the budgets. For instance, the approval of the budget estimates for FY 2019/20 was delayed by one month. The County has been in breach of deadlines as provided in the regulations and leading to disruption of County operations.

While the principle of budgeting is that the executive prepares and presents its budget proposals to the Assembly, the law allows the Assembly to propose adjustments to the Executive's budget proposals within the 1% limit set in the PMFA Regulations 2015. However, the review revealed a practice in which the Assembly discusses the budget and amends it without reference to the Executive. The Assembly in making the changes to the budget proposals does so in a manner that overhauls it. It appears that the Assembly has usurped the Executive's role in the budget making process. This can be considered as a material breach of the principle of separation of powers and compromises the oversight function of the Assembly.

An analysis of the budget of CGS, indicates a lack of due consideration of critical recurrent expenditure and the maintenance of adequate funding for the same ostensibly because of changes made during the process of budgeting and implementation.

There is a lack of focus on planning for foreseeable activities and events e.g. assumption of office which occurs every election year was not captured in the budget for FY 2022/23. This has the effect of payment outside budget and contributing to a financial deficit.

Section 53(7) of the Public Procurement and Asset Disposal Act (PPADA), 2015 requires that multi-year procurement plans shall be prepared in a format set out in the regulation and shall be consistent with the Medium Term Budget Expenditure Frameworks for project that go beyond one year. The budgeting for multi-year projects by CGS is weak. There is no common understanding and interpretation of what constitutes a multi-year project as provided in the law. Projects that are implementable within a year are caused to stretch over several financial years because of inadequate budget provision within the specific year without provision in outer years to ensure completion.

3.1.2. Budget Implementation

Over the last three financial years (FY 2019/20, 2020/21 and 2021/22) CGS operated a financial deficit for the amount of approximately KSh. 1.125 billion for each year respectively. In each subsequent year, the County has attempted to plug the deficit through the reduction or elimination of allocations to some projects or the reduction of allocation for recurrent expenditure in order to balance the budget. However, these reductions inevitably lead to the creation of pending bills and therefore exacerbating the cycle of financial deficit. The existence of a financial deficit, became evident upon the enforcement of payment of pending bills as a first charge by the Controller of Budget. This requirement caused the payment of pending bills

outside budget provisions.

The law provides that all expenditure shall be guided exclusively by the budget provisions. However, CGS budget implementation is characterised by large expenditure outside of approved budget, misappropriation, and award of projects at costs above the funds allocated in the budget and inclusion and payment for projects not budgeted and the random charging of votes for expenditure not earmarked under the respective vote.

Chief Officers are by law the accounting officers of their respective departments and are given full responsibility over management of their budgets. However, this responsibility seems to have been usurped by the Chief Officer Finance who singly authorises the charging of votes without reference to the Chief Officers under whose docket the votes lie. This has led to a lack of budget ownership and control by the respective Chief Officers.

Budget implementation process has internal control mechanisms effected through assigning authorisation to specific officers in the budget office. However, some of the rights have been assigned to officers outside of the budget office thereby weakening the budget control function. This has the effect of corrupting the ledgers making it difficult to prepare accurate financial statements.

Standard rationale that should necessitate a supplementary budget include the underperformance of revenue or the late disbursement of grants or unforeseen expenditure that has become apparent especially relating to disaster and emergency. However, the County Government does supplementary budgets at times as a reaction to the financial constraints resulting from the fiscal indiscipline. This is often done to regularise instances of misappropriations that may have already been effected in the budget implementation process.

3.1.3. Supply Chain Management System

Public Procurement in Kenya is highly regulated and is governed by the Public Procurement and Asset Disposal Act, 2015 (PPADA), and the Regulations of the Public Procurement and Asset Disposal Regulations of 2020 (PPADR). The PPADA gave effect to Article 227 of the Constitution of Kenya 2010. Procurement operating systems must therefore be within the legislative and regulatory precincts. In Compliance with Sec. 33(2) of PPADA, the County Government of Siaya (CGS) has established a procurement function under the County Treasury. The function is headed by the Director, Supply Chain Management assisted by several Supply

Chain Management Officers of various cadres deployed to the ten (10) Departments.

The starting point of the procurement process is the budget which outlines the intention to obtain goods and services for the delivery of programs and projects of the county government. The second level is the translation of the budget into a procurement plan which details the goods, services and works that will be procured using the various budget items. The Procurement Plan not only details the items to be procured, but also indicates the Procurement Method to be used. To trigger the acquisition of goods, services or works, an accounting officer makes a requisition in writing providing details of the goods, services or works, the estimated cost, the budget available and the vote from which the budget is drawn. The section 53(8) of the PPADA, 2015 provides that an accounting officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract as reflected in its approved budget estimates.

The key issues identified with respect to Supply chain include the following:

a) **Packaging of Contracts:** The Procurement plans should have an indication of which items may be aggregated for procurement as a single package in accordance with Regulation 41(d) of the PPADA. Contracts are packaged in what is popularly known in the county parlance as *'clusters'* yet these packages are not reflected in procurement plans. For instance, for Roads, the CECM approves procurement plans as per section 53(5) of PPADA and in so doing, it is expected that the applicable procurement method is also approved, however this is not reflected in the procurement plan. It is irregular to aggregate procurements into a single package if this is not reflected in the procurement plan. It could also be argued that aggregating procurements as a single package, as has been practised in the county, is extreme and skews the procurement in favour of a few of the prominent contractors thus defeating the purpose of fair competition. Procurements should therefore not be aggregated into single packages if not reflected in the procurement plan and there should be limits to the packaging in terms of number of projects and value.

b) **Supply chain reports** are prepared only when requested, yet there are several statutory and administrative reports the procurement function is required to prepare. No system exists for disseminating procurement activities to the public. The law requires regular publication of contract awards on the website and placement in noticeboards located at

strategic points accessible to the public. Currently CGS only uploads this information on the website once at the end of every financial year.

c) **The Supply Chain Management Secretariat** to support the Director of Supply Chain Management in performing functions of the office has not been established. The responsibility of the director is immense considering the sheer number of projects for which professional opinion is required. An independent professional opinion requires thorough review of tender documents. Currently, the Director depends on trust as the respective departmental procurement offices prepare the opinion for his signature which creates a window for fraud. In addition, the directorate does not have the technical capacity to upload procurement plans into IFMIS due to lack of training. This is done by external technical experts.

d) **Monitoring of the implementation of the Procurement Plan** is not done. There is no system of monitoring and reporting on implementation of procurement plans. As a result, vital information required to trigger changes in procurement plans and to ensure proper management of procurement functions is not made available to management.

e) **County Leadership involvement:** The operating procurement system, in terms of processes, has no way of disseminating information to top management as the process progresses. Procurement operating processes are largely anchored on the legislative and regulatory regime which do not have any provision on how procurement information can be disseminated to the executive yet they are accountable for the outcome of the process.

f) **Contract Management:** Managing contracts as required by the law in terms of documentation required for forging work relationships with customers, vendors, and partners; negotiating the terms and conditions in the contracts; certifying compliance with the terms and conditions and documenting and agreeing on any changes by both the parties. Arising from the above contract management milestones, the taskforce findings were as follows: Contractor may at times vary tender mandatory requirements without informing the procuring entity; in some cases, contractors proceed to site without commencement orders contrary to the statutory requirement that no contract should commence without a commencement order from the procuring entity; and contract close-outs are not formally done and a closure certificate issued is a requirement of Sec. 154 of PPADA 2015 and certificates of completion are issued where

works have been completed.

g) **Certification of invoices by procurement function** to facilitate processing of payment to suppliers as per Reg. 33(3)(cc) is the role of the Supply Chain Department. This role is currently not being performed and for works contracts, payments are processed without reference to the procurement function in breach of the law.

h) **Most requisitions do not indicate the budget line** and funds availability for the procurement process to be initiated. Accounting officer who commences the procurement process without sufficient funds is in breach of the law as provided on section 53(8) of the PPADA act. However, section 53(7) of PPADA recognizes the multi-year procurement planning process which ends with final payment. Multi-year planning is thus best for projects/contracts that are implemented beyond one year. Most county projects are implementable within a financial year. Some are however underfunded making implementation go beyond one financial year. Nonetheless, the underfunded projects are still requisitioned for and contracts awarded in the guise that additional funding will be provided in subsequent budgets, a promise not fulfilled in some cases. The foregoing notwithstanding such projects leads to irregular over-committed of funds.

3.1.4. IFMIS Operations

Integrated Financial Management Information System (IFMIS) is the government Enterprise Resource Planning (ERP) through which all government financial activity is conducted. In general there are two types of payments done through IFMIS. The first is staff and personnel related payments (imprests, travel allowances, transport reimbursement etc.) and the second is payments to contractors and suppliers. IFMIS is a critical component of financial management and is therefore a high risk area.

The IFMIS system is mapped and authorisation levels are configured within the system to be assigned to officers of appropriate designation. The rights to perform specific roles should be assigned to the correctly designated officers of the county. However, at times in the county, rights are not assigned to the appropriately designated officers. This has the effect of eroding the internal controls and integrity of the system. In addition, the administrative structure of the IFMIS section is weak and lacking the competence to manage such a critical docket. This is evidenced through the weaknesses in the administration of rights to the IFMIS system such as

delays in removal of rights to officers that have been re-designated or moved from their areas of responsibility, the failure to regularly change passwords, and the sharing of passwords with unauthorised officers.

The National Treasury authorised County Governments to establish imprest accounts through which they could pay petty and emergency expenses that would otherwise be too cumbersome through the IFMIS system. It was envisaged that such payments will be regularised through journalisation and integrated into the financial reports. However, in the case of CGS, the imprest account has been used to make payments over and above those envisaged. As a result all payments made out of the system cannot be regularised because of lack of votes leading to the creation of pending bills, difficulties in accounting for exchequer releases and challenges in the preparation of the financial statements.

The IFMIS process of payment is premised on a first-in-first-out principle. However, this process is often manipulated. To request authorisation for withdrawals from the County Revenue Fund, payments are batched and presented to the Controller of Budget. The approval of these payments by the COB, is sent to the Central Bank which releases the exchequer into either the development or recurrent bank account as appropriate. Ideally these funds should be used to make payments in accordance with the requisition schedule approved by COB. However, there are instances of the swaping of payments for invoices not in that particular batch.

Certain payment vouchers that are processed through the IFMIS are not fully supported with appropriate documents. This implies that the control mechanisms in the payment process prior to entry of the data into IFMIS are at times not fully complied with. In effect weakening the payment system.

3.1.5. Imprest Bank Account

Section 152(1) of the PFMA, 2012, gives authority for the accounting officer to extend cash advances to public officers employed in the entity to enable the officers make payments for the entity or in the course of their duties. Further Section 91(1) of the MFMA Regulations (county Governments), 2015 provides for the issue of imprest to officers who in the course of duty may be required to make payment which cannot conveniently be made through the cash office of a government entity or bank. Pursuant to the provisions of section 82(1)(b) of the PFMA Regulations, 2015, County Governments are authorised to open an imprest bank account in a

commercial bank for purposes of petty expenses and emergency payments. The regulation requires that the County Treasury will set a limit to the amount of imprest to be held in this bank account in any given month. In the case of Siaya, the County Treasury has not complied with the regulations in setting the limit and restricting payments from this account to petty and emergency payments only.

The imprest account is used to hold large sums of money which are transferred from the development and recurrent accounts particularly towards the end of the financial year. This is ostensibly to ensure that the County operations continue without disruption during the period of close of the financial year and before the new budget is uploaded into the IFMIS system. In doing so, payments made out of this account are not petty or emergency payments as provided in the law. This is an irregularity as that transfer of funds from the development and recurrent accounts is done to avoid the legal requirement to re-appropriate funds carried forward from the previous financial year; allows for payments without scrutiny of the COB and creates a window for misappropriation and embezzlement of funds. The internal audit report of August 2021, indicates that transactions amounting to a total of KSh. 332,842,954.50 made from the imprest bank account did not qualify as petty cash due to their magnitude and nature.

There is rampant abuse of the imprest system. There is lack of standardisation of the standing imprest for office operations and prevalent instances of issue of imprest to officers where the application and use of said imprests could not be determined. The internal audit report of August 2021 indicates that KSh. 296,021,578.75 was paid as “other staff claims/allowances" implying that payments that ought to have been processed through the IFMIS system were made through the imprest account, an example of the abuse of the imprest system.

Section 93(5) of the PFMA Regulation 2015 requires the surrender of temporary imprest to surrender the imprest within 7 working days after returning to duty station. Further section 93(6) requires the recovery of the full amount of imprest from the salary of the defaulting officer with an interest at the prevailing CBK rates. The report of the Auditor General for Siaya County Executive for the FY 2019/2020 indicated that as at the close of the financial year 30th June 2020 outstanding imprests stood at Ksh. 37,907,238. The report further notes that the outstanding amount of KSh. 7,035,768 in respect of outstanding imprests as at 30th June 2019 had not been surrendered by 30th June 2020. The Internal Auditor vide his letter to the Chief Finance Officer dated 12th October 2022, raised concern about this failure to recover outstanding imprests after the closure of the financial year. However, so far there is no

indication of imprest recovery having been initiated through the payroll.

3.1.6 Retention Account

Retention is a liability which should be recorded in a earmarked ledger account and banked in a dedicated bank account and reconciled on a monthly basis. Following the expiry of the defect period of the completed works, the procuring department should submit the original completion certificate which should clearly state the retention amount to the head of accounting with a copy sent to the head of supply chain. This original completion certificate should be the primary support document for the payment of the retained amount in respect of each project. The IFMIS payment system is configured to automatically deduct retention amounts for specified works. It is then expected that once exchequer is made available the retained amount should automatically be credited by the cashier to the retention account.

The process described above was not adhered to and therefore the Taskforce relied on and concurred with the report of the Internal Audit Office to the CECM for Finance and Economic Planning reference SYACNTY/IA/VOL.1(603) dated 9th November, 2022.

The internal audit report indicates that the balance in the account of Ksh Kshs. 22,265,506.45 is insufficient to meet the outstanding liabilities of the amount Kshs. 52,676,981.90 demanded by contractors creating a shortfall of KSh. 30,411,475.45. Further it was not possible to extract the required information for the purpose of ascertaining the uncredited retention money as the analysis of the manual retention register which ordinarily should have the same balance as per the bank statement established that the manual register was incomplete and not properly kept.

3.1.7 Project Management Committee Funds

In line with best practice, the CGS developed a policy on project management which entails the involvement of local communities in the management of projects. This policy spells out among other things, the composition of the committee, and the procedure for appointment to the committee, function of the committee, and payment of allowances to committee members. The policy provides that 5% of all project costs shall be deducted as funds for payment of the allowances to the project management committee. The 5% due for the PMC fund is deducted automatically by the IFMIS system, and subsequently expected to be automatically credited by the cashier to the PMC account.

The internal audit report for the financial years 2015/2016 to 2018/2019 revealed:

a) Actual Project Management Fees collected since inception of the policy i.e. FY 2015/2016-2018/2019 is Kshs 173,926,235.43. This figure relates to 5% of all Projects contract sum retained during the four financial years.

b) Actual Project Management Fee claimed amounted to Kshs. 33,118,000.00. However it was noted that the claims made were doubtful because of several irregularities and anomalies e.g lack of approval, poor documentation and claims made before the inception of the policy. Equally fees paid to Ward Administrators amounting to Kshs. 35,182,903.00 was equally doubtful for similar reasons.

c) The actual PMC fees bank balance as at 30th June, 2019 could not be established because the account mixes funds for both retention and PMC.

The continued existence of the PMC poses a major risk to the county without clarity on whether payments have been discontinued or not. The information available to the Taskforce indicates that the PMC members are now paid by contractors unofficially. In effect the county has created a rent seeking system which adds no value to the county.

3.2. PENDING BILLS

Pending bills in the public finance management context refer to works, goods and services which were procured and contract executed and thereafter the works were done, goods delivered or services provided and certified or invoiced as the case may be, including salary by-products but not paid at the end of the Financial Year. Unpaid by-products refer to salary sub-items which make up the salary component, outstanding at the end of a financial year which may include unremitted statutory deductions.

The Taskforce noted that the Governor had set up a sub-committee of the County Executive Committee to review the pending bills. The CEC subcommittee prepared a report indicating that the pending bills stand at KSh. Ksh. 1,036,248,598.36 as at 8th December 2022 comprising KSh. 463,161,010.13 relating to development expenditure while the Ksh. 573,445,588.23 relating to recurrent expenditure.

An analysis of the data contained in the report indicates the following:

a) For a large number of the projects, the contract sum at the time of award exceeded the budget available which indicates overcommitment in the budget for the FY 2021/22 and which is irregular.

b) Analysis of the data indicates that there are multiple issues of multiple Local

Purchase/Service Orders in initiating payments for single projects. There is the risk that Local Service Orders issued in this manner may be used to override existing contract terms and create a window for overpayment. This risk is exacerbated by the fact that CGS does not maintain a live and consolidated file for the projects' implementation period. Therefore each invoice is processed as a new file without reference to the payment history of the project.

c) With respect to procurement for infrastructure works, CGS seems to have a set of preferred contractors that account for approximately 70% of the total amount for pending bills. The data obtained from the pending bills report shows that projects are clustered and advertised as a single project to compromise competition and limit access to a few preferred contractors.

It is important to note that the pending bill is approximately equal to the financial deficit of approximately Ksh 1.12 billion. which reflects the carrying forward of projects that are not supported by funds.

The OCOB guides that pending bills form first charge in the new financial year and ought to be dispensed with on a first-in-first-out basis.

The Taskforce went further to determine the eligibility of otherwise of the pending bills and this analysis is contained in Annex 3

3.3. OWN SOURCE REVENUE

Article 209 (3) of the Constitution gives counties the power to impose property taxes, entertainment taxes, and any other tax that it is authorised to impose by an act of parliament. This is given effect through the provision of the PFMA, 2012, that requires the CECM for Finance to present to the County Assembly along with budget estimates, proposals for revenue raising measures for approval.

CGS exercises this power to raise its own revenue through the imposition of various fees and levies. The main sources of revenue for the county are as itemised in the revenue projections contained in Annex 4. Over the last four financial years, the own source revenue for CGS has recorded steady growth but remains low:

a) In FY 2018/19 the collection was Ksh. 186 million against a projected revenue of Ksh, 277 million;
b) In FY 2019/20 the collection was Ksh. 277 against a projected KSh. 420 million;
c) In FY 2020/21 the collection was Ksh 336 million against a projection of 420 million;

and

d) In FY 2021/22 the collection was KSh. 446 million against a projected Ksh. 445 million. Much of this increase was recorded in health.

Based on the CRA study on Own Source Revenue Potential (2022), CGS has the capacity to generate a minimum of KSh. 1.7 billion in revenues every financial year. The taskforce noted that there are several factors contributing to the low performance in own source revenue generation as outlined below:

a) An analysis of all the data available on OSR, indicates the lack of a county resource mobilisation policy of which the OSR strategy is an integral part. This has led to a disconnect between revenue streams, services, and development objectives of the county. Some of the existing taxes, fees, and charges are inherited from the defunct local authorities, for which the governing legislation has been repealed by the Constitution 2010. The consequence of this is that the County has no legal basis to enforce certain collection e.g. land rates leading to poor performance. There is therefore an urgent need to develop new legislation to provide a legal basis for the imposition of some of these fees and levies.

b) The lack of a county revenue policy coupled with the assured receipt of shareable revenue from the national government, has contributed to laxity in the collection of own source revenue by departments. In addition it has contributed to over concentration on small revenue sources such as market fees levied on small petty traders, at the expense of investment in larger more strategic revenue streams.

c) The Directorate of Revenue has the mandate to coordinate and support the collection of all its own source revenue. The responsibility of revenue collection lies with the respective Chief Officers who are appointed as receivers of revenue in accordance with the provision of section 157 of the PFMA, 2012. The Chief Officer may delegate this responsibility to officers at the revenue collection points in writing as provided in section 158 of the PFMA, 2012. The officers at the collection points are required to issue an official receipt against proof of payment from clients and offer the services paid for. However, this structure of administration of revenue relies heavily on the integrity and diligence of the personnel offering services and fails to separate revenue collection and service delivery. It therefore creates opportunity for revenue pilferage and revenue received that cannot be immediately linked to any stream.

d) The Directorate of Revenue has been assigned delegated responsibility for the collection from some revenue streams that are domiciled in some departments. To assist in the coordination of collection of revenue, the directorate has deployed revenue officers to each of the ten county departments. However, the number of revenue officers is inadequate to cover all the collection points spread around the county. This leads to lack of enforcement of collection and under-collection.

e) The majority of the revenue collection staff have been employed on temporary contract terms (casual). The CGS currently requires these employees to surrender all revenue collected within three days. However, this approach is fraught with challenges including the lack of facilitation of the revenue collectors to make and comply with the

surrender timelines. This leads to late surrender (sometimes as long as one month after date of collection), numerous cases of under-surrender, and in some extreme cases non-surrender. In the case of non-surrender, there is no mechanism to compel the collector to remit the money considering that most of the casual employees have no employment contract with the County Government.

f) The Directorate of Revenue has the largest number of temporary employees after Health and Trade. Most of the recruitments are a form of reward for the political involvement of these individuals. In this form of employment, there is no consideration for the skill sets required for the job, no probation period, no opportunity or resources deployed for training and development, and low understanding of the demands of the job. This is a major contributor to the low performance of revenue collection.

g) One of the most important revenue streams for the county is property taxes. However, in CGS, this is one of the poorest performing revenue streams in terms of target achievement. The major contributing factor is the lack of a valuation roll and county legislation to govern the process of transfer of property within the boundaries of urban areas in Siaya. The valuation roll was submitted to the second County Assembly and has since lapsed. The legislation on property transfer has not yet been developed. In the absence of this legislation, the County Government is reluctant to pursue enforcement of payments of rates and other fees through litigation.

h) There is scope to enhance revenue further through the completion of the spatial plan, delineation of boundaries for urban areas to increase the number of rateable properties and the approval of a valuation roll. CGS has five major urban areas Siaya, Bondo, Ugunja, Yala and Usenge which generate minimal revenue from urban services such as parking, water, sewage services, recreation centres and solid waste disposal, suggesting exceedingly rudimentary urban infrastructure. Investment in urban infrastructure would enhance revenue collection.

i) The decline of key economic activities e.g. agriculture in Siaya County without a corresponding rise in any other economic activity limits CGS capability for the imposition of fees and levies and the ability of people to pay.

j) The collection of revenue remains manual, with deployment of Point of Sale (POS) machines in some areas such as markets and bus parks. The lack of proper automated systems for collection and management of the main revenue sources leads to revenue leakages, spending at source and under performance of Own Source Revenue (OSR).

k) The revenue directorate indicated that it often encounters reluctance by citizens to pay fees and levies to the county government where there is no commensurate service delivery.

l) The CGS uses the Finance Act as the instrument for the levy of fees and charges, in the absence of a principle legislation being passed by the County Assembly providing for the respective fees and charges. County Finance Acts are intended to introduce

amendments (e.g. fees and rates, or tax bases) to substantive laws and are not supposed to confer taxes as a stand-alone law.

m) There is a lack of technical capacity in policy analysis and design and the determination of the costs of revenue collection. Such analysis is also important in determining the optimal investment in the revenue collection function. This will also enable the evaluation of the impact of policy improvements going forward.

3.4. FINANCIAL MISMANAGEMENT

In the course of reviewing the financial systems of the CGS, the taskforce noted that there were two incidents of alleged financial management/embezzlement towards and after the financial year end 2020/2021 and 2021/2022 involving approximately Ksh.600 million and Ksh.400 million respectively. The two incidents are being investigated by the Directorate of Criminal Investigation (DCI) and the Ethics and Anti-Corruption Commission (EACC).

3.4.1. Alleged embezzlement of Ksh. 600 million

The Taskforce reviewed, interrogated and concurred with the internal audit report for the FY 2020/2021 dated 29th August 2021 which indicates doubtful payment of claims to individual staff. The Taskforce confirmed that during the financial year 2020/2021- Ksh. 780,697.079.35 was paid to various individual staff from the recurrent account. Further analysis however indicates that an additional KSh. 296,021,528.75 was paid to individuals through the imprest account. In total therefore the amount paid to individuals in FY 2020/21 amounted to KSh. 1,076,718,608. It is doubtful that these payments contributed or related to development. Furthermore, we noted that the payments were material, repetitive and being paid on account of imprest to individuals in breach of the provisions of PFM which provides that imprest are for petty and emergency expenses.

3.4.2. Alleged embezzlement of Ksh. 400 million

The Taskforce also noted an amount Ksh. 400 million was alleged to have been embezzled shortly before the assumption of the office by the current Governor on 25th August, 2022. The Taskforce reviewed IFMIS payment details between 1st July and13th July, 2022, which was presented to it by internal audit. The Taskforce established that payment vouchers totalling to Ksh. 406,072,526.15 were processed in IFMIS between 1st July 2022 and 13th July 2022 for payment of various expenditures as summarised below:

Table 1: Payment Voucher details between 1st July 2022 and 13th July 2022

S/No.	Payment Description	Amount (Ksh)
1	Payment made to Assembly staff	9,236,000.00
2	Imprest payments made to individuals for training	33,286,183.75
3	Payment made to creditors(suppliers/contractors).	68,182,854.40
4	Allowances to Staff	2,783,000.00
5	Transfers to the County imprest bank account	285,000,000.00
6	Staff Imprest	285,900.00
7	Other payments	7,298,588.00
	Total	**406,072,526.15**

Out of the aforesaid vouchers of amount totaling Ksh. 406,072,526.15, only vouchers totalling to Ksh.252,858,206.55 had been paid as at 17th January 2023. The allegation that an amount totalling Ksh. 406,072,526.15 was embezzled is therefore incorrect. The correct amount is Ksh.252,858,206.55 which was paid as summarised below.

Table 2: Analysis of the payment from the recurrent account between 1st July 2022 and 29th September 2022

No.	Details	Amount
1.	Assembly Staff	9,236,000
2.	Payment made to Creditors(suppliers/contractors)	52,947,683.40
3.	Payment made to individuals for Government operation (Above 150,000)	25,167,233.75
4.	Payment made to individuals for Government operation (Below 150,000)	2,085,000.00
5.	Transfers to Imprest Bank Account	159,200,000.00
6.	Staff Imprest	81,000.00
7.	Commissioner of VAT	42,701.40
8.	Development	4,098,588.00
	Total	**252,858,206.55**

However, it is important to note that as of 29th September 2022 the balance of Ksh. 153,214,319.60 remained within the IFMIS system. Consequently, another audit will be

necessary to ascertain whether the foregoing balance was eventually paid.

Arising from the foregoing analysis as presented in table 5 above, three streams of payment are questionable.

a) During the period,1st July 2022 and 29th September 2022, Ksh. 25,167,233.75 was paid to individual staff from the recurrent account. The payments involved significant amounts paid to individuals purportedly for training activities that are yet to be verified by the internal audit and are under investigation by DCI and EACC.

b) There were other payments made to individual staff of a similar nature totaling to Ksh. 159,200,000.00 which were paid from the imprest account.

c) An amount of Ksh.9,236,000 was paid to assembly staff. It is not clear what this money was paid for as it was not budgeted for. The said payments are under investigation by the DCI and EACC.

In conclusion, the two alleged incidents of the cash embezzlement are under investigation by national investigation agencies. It is the said investigations that will establish whether there were actual cash embezzlement and if so apportion culpabilities accordingly.

There were irregular transfers/payments from various county bank accounts as summarised below. The transactions 1, 2, 3 in the table below were carried out in total breach of the provisions of the PFMA, 2012.

S/N	FROM BANK ACCOUNT NO.	TO BANK ACCOUNT NO./PAYMENTS	AMOUNT KSH.	CRITERIA
1	Development bank account	Other bank account	496,847,894.00	Contrary to section 154(1)(b) PMF act 2012
2	Siaya Main Salary account in Equity bank	Non-salary payments	53,219,802.80	Contrary to section 154(C) and 53(1)(2) PMF act 2012
3	Retention account	Development account	10,200,000	Contrary to section 53(1)(2) PMF act 2012

4	PMC Account	Imprest account	77,800,000	PMC is a special purpose Account

Table 3: Summary of irregular transfers/payments from various county bank accounts

3.5. HUMAN RESOURCE MANAGEMENT

The management of human resources that form the public service in county governments is provided for under article 235 of the Constitution which is given effect through the establishment of County Public Service under section 56 and the County Public Service Boards (CPSB) in section 57 of the County Governments Act, 2012 (CGA, 2012).

The County Public Service Board is the principal employment agency for the County Government. The CBPS advises both the County Assembly and Executive and its agencies on matters of human resource in line with its mandate given in section 59(1) and in exercise of powers given under the provisions of Section 59 (4) of the CGA, 2012.

While CPSB ought to have functional and operational autonomy as stipulated in the County Government amendment Act 2020, many county governments place them under the County Department responsible for Public Service and Siaya is no exception. The Siaya CPSB operates under the County Department of Governance and Administration and therefore reports to the Chief Officer Governance for its operations.

The HR department of the County is a delegated function administered through institutional arrangements including, the County Human Resource Management Advisory Committee (CHRMAC), Authorised Officers, Directorate of Human Resource Management, and Payroll Management.

From the analysis of documents presented and interviews conducted, it emerges that there are key challenges with respect to human resource management which are linked to (i) the Authority and autonomy of the CPSB, (ii) effective delegation of its powers and functions and (iii) control of the HR function i.e establishment, recruitment, career progression, remuneration, and performance management.

3.5.1. Authority and Autonomy of the CPSB

With respect to the authority of the CPSB, there are instances of overlaps in the exercise of functions and powers of the Board through decisions at executive level which ought to be taken

by the Board. For instance, regulations require that transfers of senior level officers between departments leading to a re-designation can only be done by the Board. However, the Taskforce received numerous reports and evidence of transfers and re-designation of officers at director level contrary to the provision of the Norms and Standards for the Management of Human Resources in the Public Service and attendant regulations.

With respect to delegation of powers and functions, the CPSB asserts that as things currently stand, it has not delegated any of its powers to county executive as required by law through the issue of instruments of delegation. In effect, it is the position of the CPSB that until that is done, then the County Executive has no basis to carry out any human resource management activities on behalf of the Board.

In delegating some of its functions through the instrument of delegation, the Board does not relinquish its responsibility as the employer and manager of the county public service. In this respect, the CPSB needs to maintain oversight of the management of human resources with respect to entries into the IPPD, monthly reports on numbers and payroll costs. There is at present no mechanism to obtain reports or information to enable the Board to play this oversight role.

3.5.2. Exercise of delegated of powers and functions by the Executive

Despite the assertion by the CPSB that it has not delegated functions to the Executive, the latter nevertheless implements the delegated functions and powers of human resource management. There is an organisation structure and staff establishment for the County Government of Siaya approved by the CEC and the County Assembly.

However, most of the officers at director level are in acting capacity having been re-deployed to dockets and functions other than those for which they were recruited. It was noted that the re-deployments were often done without consultation with the CPSB. In some functions such as health the professional cadre positions below the level of director have in post officers. In others such as water and environment, these positions remain vacant.

There remains a serious shortage of professional level staff in some critical functions such as Agriculture, Health, Trade (revenue), Urban Development, Physical Planning, Water, Environment and Natural Resources, and Human Resource. Available information and evidence indicates that in some critical departments in which the professional cadres below the

director level have not been recruited leading to reliance on clerical and short term (temporary/casual) staff to support the work in those departments.

The executive coordinates the implementation of delegated HR functions through the County Human Resources Advisory Committee, however, it is our finding that this committee is dysfunctional. The Chief Officers who are legally obligated to attend the meetings of this committee, send their juniors to attend proceedings on their behalf. This leads to the juniors making critical decisions on issues pertaining to promotions and disciplinary action of higher-ranking officers. Of greater concern is the fact that the Committee's secretary, who is the director of HR, does not play the advisory role of ensuring no meeting is held without the necessary quorum of substantive members. As a result, promotion and disciplinary matters take longer than necessary to finalise, leading to low staff morale and uncertainty on career path.

The relationship between the CPSB and the Executive is one of principal-agent and should be characterised by close collaboration and open communication. The friction between the two entities indicates an overreach by either party and a lack of mechanisms for the resolution of contentious issues.

3.5.3. Management and Development of the Human Resources

There is no established policy to guide HR development i.e no clear scheme of service, training, promotion, reward etc.

From the data provided, the exact number of staff in Siaya County, cannot be conclusively determined. Particularly owing to the fact that the staff under casual employment terms are recruited directly by departments and no central database exists for this cadre. The process of recruitment, deployment and remuneration of casual staff appears to be unregulated, devoid of standards of practice as prescribed by regulation and open to abuse and the CPSB has no knowledge or control over the recruitment.

There is no adherence to the norms and standards of public service management as provided by the Public Service Commission i.e. clarity on career progression paths, relevant training and skills development plans, criteria and procedure for promotion, or reward. Currently, the promotions appear to be done selectively and has led to a very low staff morale.

There is a clear lack of capacity within the Secretariat of the CPSB and the Directorate of Human Resource with few human resource specialists and an urgent need for recruitment.

3.5.4. County Payroll

The County payroll is run on two separate platforms. There are staff who have personal numbers and are paid through the Integrated Personnel and Payroll Database (IPPD) as required by regulation, while a number ranging between 4000 and 5000 others who have not received personal numbers as well as casual staff being paid through what is commonly referred to as the manual payroll. It was noted that the CPSB has no line of sight or role in the management of the payroll and the management of data into the IPPD.

The manual payroll, which is a list of persons to be paid submitted by respective departments, is prone to manipulation. An analysis of the data contained the manual payroll for the FY 2020/21 and FY 2021/22 revealed material inconsistencies. For example, during the month of July 2020, the manual payroll contained payments to staff members with personal numbers. The explanations given for this anomaly that the IPPD system has no configuration for payments of rent allowance arrears and leave commutation turned out to be untrue.

The management of the IPPD platform is through access rights provided to staff members for their specific function. This is to guard against possible manipulation of the system through falsification or entry of fraudulent data. Upon querying the list of persons that have access rights to the system, the national department for personnel management indicated that 14 staff members of the Human Resources Directorate have access to IPPD. It is possible that unauthorised parties may have been granted access to the IPPD system. This is an area of concern that requires urgent investigation and action.

An attempt was made to clean up the payroll on previous occasions. In the last attempt, all staff members were required to collect cheques for payment of salary for the month of October 2019 by a given deadline. A Salary Select Committee was established to oversee the headcount with the following expected outputs.

i. To establish the exact number of employees of the County Government of Siaya.
ii. To identify the exact number of individuals who are in the payroll but are not employees of the County Government of Siaya.
iii. To establish employees of the County Government of Siaya who do not come to work.

The report of this Committee indicates that a total of 111 cheques remained uncollected at expiry of the deadline for collection of cheques. This report was presented to the County Executive Committee, which took the decision to submit the list of names and uncollected cheques to the DCI through the County Secretary, for further investigations and to stop further

salary payments against those names. As a result of these investigations, some non-employees have been charged in court for fraud.

3.5.5. Ghost workers

A ghost worker is generally an introduction into the payroll system through the internal payroll management. On the other hand, it is linked to fraudulent banking transactions. There are others that are created through duplication of names in different payment points. Through analysis of the extracted data from the IPPD and manual payroll, the Taskforce identified anomalies which could be indicative of the existence of ghost worker situations. The anomalies identified include double payment through both manual and IPPD systems, duplication of names, falsified identification numbers with less than seven digits, and absence of identification numbers. Moreover, the report of the headcount indicating a figure of one hundred and eleven (111) uncollected cheques suggests individuals who may be non-existent.

Neither the County Public Service Board nor the Director of Human Resource was able to give clarity on the number of staff on manual/casual payroll. It is to be noted that average monthly manual payroll incurs the County an average of KShs 53 million. The County Public Service Board denied the existence of a manual payroll, whereas the Human Resource gave conflicting information on the number of personnel on casual employment terms that are paid. This is an area of concern, because it indicates lack of internal control and creates opportunity for abuse and possible introduction of ghost workers.

3.6. GOVERNANCE

The County Governments were established pursuant to article 6 and 176 of the Constitution to enable transfer of functions, resources, decision-making and self-governance to the local level so as to enhance proximity and efficiency in the provision of services. The objectives and principles of this devolution of power and resources are provided in article 174 and 175 of the Constitution. The extent of realisation of the objectives of devolution in any county depends on the effectiveness of the institutions, systems and procedures of governance established by the County Government.

Chapter 11, 12, and the First and Fourth Schedules of the Constitution provide a framework for the organisation and operation of the devolved system for government. Pursuant to article 176 of Constitution, the governance structure of the County Government consists of:

a) The County Assembly, which comprises the elected ward representatives and nominated members representing various interest groups, the County Assembly Service Board, and public service.

b) The County Executive which comprises the Office of the Governor and Deputy Governor, the County Executive Committee, semi-autonomous entities such as the County Public Service Board and County owned Enterprises such as the Water Services Boards.

The functions and powers of both the County Executive and Assembly are provided under the County Governments Act 2012 principally to provide for internal structures for the operations and coordination of the two arms of county government to enhance checks and balances and the separation of powers.

The Taskforce examined the governance structure and operations of the County and identified the following challenges that require to be addressed.

3.6.1. Organisation of Government

a) Office of the Governor

In the current structure of the county government, the Department of Governance and Administration falls directly under the Office of the Governor and Deputy Governor. This has the effect of overloading the Office of the Governor, with a large number of administrative functions which draw funding from the limited budget ceiling. The primary function of administration is therefore hampered and has a ripple effect across all other departments, thus compromising county performance. To address this, a structure that separates the Office of the Governor from the Department of Governance and Administration would be more appropriate.

b) Office of the County Secretary

Section 44 of the CGA, 2012, establishes the Office of the County Secretary as the Secretary to the County Executive Committee and Head of the County Public Service. This mandate places the Office of the County Secretary in the critical nexus between the County Executive and the Public Service, coordinating and supporting the functioning and operations of the Executive and ensuring the implementation of its decisions through the public service. This is an important mandate and it is imperative that this Office operates as an institution rather than an individual as is the case currently. In order to institutionalise this office, its mandate ought

to be interpreted into an appropriate structure and a team recruited to take up the positions within it. Broadly, such a structure would include: (i) CEC (Cabinet) Affairs Office; (ii) Public Service Coordination Office; and (iii) the Intergovernmental Relations Office all of which should all report to a Chief Officer administratively.

c) Structure of County Departments

In the current government structure, the function of Gender is under the Department of Education, Gender, Youth Affairs and Social Services. It is the considered view of the Taskforce that under this arrangement, matters of gender and women empowerment may not be accorded the priority required and will be overshadowed by the pressing needs of education. In response to the priority accorded women empowerment in the Governor's manifesto, the reorganisation of county government departments is necessary. The proposal is for the function of gender to be moved and placed together with Culture, Sports and the Arts to form the Department of Gender, Culture, Sports and the Arts. In this case, the function of tourism will be moved to the Department of Enterprise and Industrial Development.

d) Office of the Chief Officer

The office of the Chief Officer is established pursuant to the provisions of section 45 of the CGA, 2012 as an office within the public service to which the governor appoints the holders with the approval of the County Assembly. The Chief Officer is the authorised and accounting officer of a county department and is the critical bridge between policy and operations. An issue that emerged during the interviews was the fact that a majority of the chief officers hold their dockets in acting capacity. This undermines the responsibility and effectiveness of this critical office. In addition, as indicated earlier, Chief Officers are given full responsibility over management of their budgets. However, this responsibility has been usurped by the Chief Officer Finance who singly authorises the charging of votes without reference to the Chief Officers under whose docket the votes lie. This is a critical issue that creates a lack of accountability.

e) County Public Service

The structure of the County Public Service is based on an approved establishment by the County Public Service Board. Such establishment is proposed by the Executive with due consideration to the skills and competences required to perform the various functions of county government. The capacity of the county is as good as the capacity of its public service. An

analysis of the current establishment indicates that there is inadequate interpretation of functions in sufficient detail to appropriately define and identify the qualifications, skill sets and competencies required in almost all technical departments. The development of a robust establishment for the county public service and fidelity to it, is critical to the performance of the county.

3.6.2. Instruments of Governance

a) Policies, Plans and Programmes

Policies and plans are the principal instruments of governance that translate the manifesto of the winning party into implementable programs and projects aimed at delivering the development outcomes and promises of any administration. Indeed the CGA, 2012 at Part XI provides for county planning and at section 104 obligates the County Executive to develop county plans in line with the principles and objectives given in sections 102 and 103 respectively. From the information available from the sectors interviewed, there are no policy documents to guide the development of legislation, action plans and programmes in all sectors, with the exception of the Department of Agriculture, Food, Livestock and Fisheries. The county is yet to operationalize the 10 year spatial plans which are yet to be approved by the County Assembly. On the other hand, most of the sectors do not have sectoral plans upon which CDIP ought to be anchored. In addition the CIDP as currently formatted is a laundry list of unrelated projects that are not founded on an analysis of the critical development needs and an integrated, multi-sector approach. The lack of these instruments points to a weak system of governance that lacks direction and sound basis for appropriation and deployment of resources.

b) Annual Development Plans and Budget

The Annual Development Plan and Budget are both critical instruments that allow the executive to break down the long term development objectives into annual targets and activities to ease implementation. They are the means by which the executive ensures resources are allocated to key areas of priority in its development agenda. The CECM is a critical institution in ensuring that the annual plan and budget reflects an integrated and multi-sector approach. However, from the review of the budget for the FY 2019/20, FY 2020/21 and FY 2021/22, it is apparent that the CECM of the previous administration operated in silos and there is no programmatic approach to any of the interventions for which the budget was made. The entire development budget for Health for instance, is spread over 203 construction projects with no allocation directed towards disease control interventions.

Further, the budget making role is shared between the Executive and the Assembly, the latter having the responsibility of approving the budget proposals and exercising oversight to ensure resources are utilised as approved. However, all indications are that either the Executive ceded control, or the Assembly usurped its role in the budgeting process. This results from the Assembly members' desire and push for direct control of decision on the type, location and cost of all projects to be implemented in respective wards. In effect the budget has become a means by which the assembly overreaches into the role of the Executive.

3.6.3. Operations and Coordination

a) Structures of Coordination

Government operations require as a standard form of operation, the creation of multi-agency teams or committees for the delivery of programs. This is because the program approach to delivery of a development output often requires the involvement of several other sectors including the one in which the program is anchored. The structure for coordination involves the setting up of steering committees at the policy level, technical committees at the accounting officer level and working committees and secretariats. This will entail the setting up of sub committees of CECM; a committee and sub committees of chief officers; and technical working teams of the technical heads of directorates under which will be the secretariats to undertake the day to day operation.

From the interviews with the leadership of all the Departments, it is apparent that such structures for coordination do not exist in the County. It may be a consequence of the lack of a policy and programme approach to the county operations. Hence, there is no impactful intervention in any sector.

b) Decentralised County Administration

The CGA, 2012 at section 48 establishes the units for decentralisation of county services as:

a) Urban areas and cities established pursuant to the provisions of UACA, 2011;
b) Sub-counties equivalent to the constituencies within the county established under Article 89 of the Constitution;
c) Wards within the county established under Article 89 of the Constitution and section 26;
d) Such number of village units in each county as may be determined by the county assembly of the respective county; and

e) Such other or further units as a county government may determine.

Sections 50, 51, and 52 establish the Offices of the Sub County, Ward and Village Administrators. The County has through its own legislation established village units. The county has also employed sub county and ward administrators.

However, despite the fact that these offices are critical to the overall coordination, supervision and implementation of county programs, the sub-county and ward administrators have not been supported. Most of these officers have no office space or basic equipment to support their work and have to use their own funds to traverse the wards and sub-counties to monitor and report on project implementation. As a result there is a poor work ethic and low morale and productivity.

The establishment of Urban areas and cities requires the development of an urbanisation policy and action plan that is closely linked to the spatial plan of the county. Urban areas provide a means to concentrate settlement and ease service provision. While the county has several urban areas Siaya, Bondo, Yala, Ugunja and Ugunja, there is no purposeful effort to create, fund and assign functions to the urban management boards. Without a deliberate and concerted effort to establish urban areas with autonomous management boards and adequate funding, Siaya will not record meaningful development.

c) County Performance Management and Service Delivery

Section 47 of the CGA, 2012 obligates the County Executive Committee to design a performance management plan to evaluate performance of the county public service and the implementation of county policies. The plan should provide for among other things the objective, measurable and time bound performance indicators. Despite this legal requirement, the County has not developed, documented and implemented a performance management plan and system.

There is a Delivery Unit established under the CECM for Governance and Administration that reports to the Governor on matters of delivery on priority projects. It was constituted through deployment of staff from each department to act as the focal point in the unit for their respective departments. This form of constitution of the delivery unit introduces divided loyalty of the officers who on the one hand remain staff members of their specific departments, while at the same time required to report on progress or lack thereof to the Governor.

The Governor's Delivery unit is an important performance management mechanism as it allows real time monitoring of progress on key programmes and projects and timely intervention where necessary. The Taskforce proposes establishment of the Governor's Delivery Unit headed by a director and reporting directly to the governor. The proposed organisation structure is contained in the recommendations section.

d) Chain of Command and Hierarchy

The bureaucracy of government establishes a chain of command with levels of authority. The review of the governance system of the county indicates that the bureaucracy has largely been flattened with low ranking officers being accorded responsibility beyond their position. Inexperienced officers exercising powers and authority that they are neither qualified nor equipped to handle warps decision making, compromises accountability and entrenches patronage. The need-to-know principle of information flow that is critical for the creation of a stable government is also distorted.

A stable public service is critical to the performance of any government and is dependent on institutionalised operations and communication procedures. Such procedures function to insulate the junior officers from intimidation and manipulation by the senior officers through verbal instructions aimed at circumventing controls. The taskforce encountered numerous reports of this approach of circumventing controls especially in the Finance Department.

e) E-Governance

Electronic governance or e-governance involves the strategic deployment of information technology infrastructure and capability to deliver government services, exchange of information, communication transactions, integration of various stand-alone systems between government to citizen (G2C), government-to-business (G2B), government-to-government (G2G), government-to-employees (G2E) as well as back-office processes and interactions within the entire governance framework. Through e-governance, government services are made available to citizens through an information technology platform. The best example of an e-governance system in the country at the moment is the e-citizen platform which integrates the government to citizen interface with a back end linked to revenue systems and service delivery processes.

The County does not have ICT capability for even the most basic of e-governance operations to support a government-to-employees system. Such a system would establish an internal communication network that allows for creation of a county domain to host an information sharing portal and the assignment of work email to every employee. It is important to develop an ICT policy and strategy to be implemented in phases over the next 10 years. The starting point being the creation of a robust ERP to run all internal county procedures and processes. In addition, the County could also consider a partnership with e-citizen for the automation of its service delivery and revenue collection.

3.6.4. Dispute Resolution

Numerous submissions from the interviews conducted indicate that internal tensions between the Executive and Assembly, the Office of the County Secretary and the County Public Service Board, between the chief officers and at departmental level. These tensions are mainly caused by issues of overlap in functions as a result in gaps in law or overreach by either party. It also became apparent that the county has not institutionalised dispute management and resolution processes and as such some of these tensions remain unresolved. This is evidenced through such incidents as failure to approve critical policy documents and budgets by the assembly and failure by the executive to implement resolutions of the County Public Service Board.

Internal mechanisms for the resolution of any conflicts that may arise in the course of exercise of the individual mandates of institutions within the county require the establishment of internal consultative forums that can be used to discuss and resolve all matters of contention whenever they arise for the stability of the County.

3.7. SECTOR ISSUES

In line with its terms of reference, Taskforce conducted an extensive review of the county sectors. The review involved detailed discussions with senior representatives from the sectors as well as consultations with external experts in areas such as agriculture, and climate change. The review centred on the core departments of Agriculture, Health, Land, Education, and Public Works and examined the current policies, development priorities, programs, achievements and challenges within the sectors. The analysis was conducted with a view to identify strategic interventions necessary to position these sectors for delivery of the Nyalore

manifesto.

3.7.1. Agriculture Sector

Food security and nutrition in Kenya is one of the basic human rights of every individual as provided in the country's 2010 Constitution and stipulated in the 2017 Food Security Act. The Fourth Schedule of the 2010 Constitution devolves the Agriculture function with responsibilities and powers assigned to the county to oversee crop and animal husbandry; livestock sale yards; county abattoirs; plant and animal disease control; and fisheries. Thus the constitutional and legal provisions impose obligations on the state of Kenya and the county of Siaya in particular to respect, protect and fulfil food and nutrition security needs of the citizenry (Development, 2019).

The Kenya Household and Budget Survey (KNBS, 2018) indicates that Siaya county with a total population of 993,183, has a food poverty headcount rate of 35.8 percent or approximately 300,000 people are living below the food poverty line, out of which approximately 186,000 live in extreme poverty. The food poverty incidence is highest in the rural areas where poor households depend on farming for income. Children are the demographic group most vulnerable to hunger with the prevalence of stunting, wasting and underweight indicated as 30%, 7% and 3.1% respectively against the national average of 29%, 11% and 13% respectively. This indicates that Siaya has over 50,000 children under the age of 5 years with stunted growth, which is associated primarily with under-nutrition among other factors.

Currently, farming in the county is a low-income sector for those who work and invest in it. The sector wages are significantly below the overall wages in the rest of the economy making it important to find ways of increasing the sector's productivity and breaking the vicious cycle of low profitability through strengthening and positioning of SMEs as anchor drivers of such a transformation.

The *Nyalore* Manifesto prioritises increased investment for the subsidy program to spur mechanisation, fertiliser and improved seed application. To this end, the County has drafted the Input and Subsidy Bill which covers all areas of input and support to the farmers on all aspects of agriculture. In addition, the county bought 22 tractors and employed plant operators to support the mechanisation drive. However, the program needs to be structured well to provide an institutional and development mechanism to ensure efficient and effective management, operation and maintenance of the utilities and operators.

The key challenges to the development of Agriculture in Siaya may be summarised as follows:

a) Food and nutrition insecurity accentuated by low agricultural total factor productivity and insufficient outputs. The low total outputs and total factor agricultural productivity especially on critical factors of land, capital labour and agri-preneurship are evidenced by the downward trend of agricultural sector growth that reduced from 5.4 percent in 2013 to 1.6 percent in 2017 (KNBS, 2018). This made some of the food items unavailable or unaffordable. The main reason for this poor production has been restricted space under food crops, poor soils and crop husbandry, and high post-harvest losses fuelled by bad timing and traditional storing facilities used by the community (CIDP 2017).

b) The county government through its fiscal strategy paper intended to invest in agriculture, livestock and fisheries development to ensure food self-sufficiency and security through enhanced extension services, mechanisation and provision of improved farm inputs. These intentions were however not matched by the actual level of funding with the sector receiving less than 10% of the budgetary allocations over the 2014 -2022 budget cycles. The budget ceiling for the Department of Agriculture, Food, Fisheries and Livestock is at Ksh. 600 million, a significant percentage of which is from donor funded projects. As a result, there is little fiscal headroom for optimal allocation of resources to support agriculture. There is a need to increase county expenditure in line with the African Union commitments on public spending in agriculture. However, increasing expenditure should be marked by a clear strategy that guarantees inclusive sector growth.

c) Siaya County registers very low agricultural productivity due to low total performance across all factors of production i.e. labour, capital, land and entrepreneurship. Return on capital and yields on land are very low compared to best practices and labour productivity is much lower than global averages. The low total outputs and total factor agricultural productivity especially on critical factors of land, capital labour and agri-preneurship are evidenced by the downward trend of agricultural sector growth that reduced from 5.4 percent in 2013 to 1.6 percent in 2017 (KNBS, 2018). This made some of the food items unavailable or unaffordable contributing further to food and nutrition poverty.

The county needs to address food and nutrition insecurity, low household incomes and high unemployment by re-imagining, restructuring and revamping agriculture into a vibrant industry. This requires a strategy that focuses on nurturing partnership between the county agriculture, development partners, the private sector and other agricultural actors to ensure a stable supply of safe, nutritious and affordable food, safeguard income for agricultural value chain actors and keep the rural areas vibrant economically. The implementation will require a multi-sectoral and "all of government" approach. A description of this approach is provided in the recommendation section.

3.7.2. Health Sector

Article 43(1) and the 4th schedule of the Constitution commits the delivery of health care to a right based approach and divides the health function between the National and County governments. The Kenya Health Policy (2014-2030) gives direction on how the sector should be organised and sets priority investment areas for the achievement of objectives. The Health Act (2017) and the Siaya County Health Services Act (2019) guide the institutional structure for the execution of the health function.

The latest data (Economic survey, 2022) indicate that Siaya does poorly across all the dimensions of impact indicators for health except for income inequalities. Siaya's crude death rate of 15.5 for every 1000 population is the highest in the country. The life expectancy is 57 yrs against the national average of 64 yrs. With lower earnings (GCP per capita KES 100,000), lower life expectancy and high maternal and child mortalities, wellbeing is undermined. There is therefore an urgent need to turn around the sector by refocusing health care and health related sectors through a multisectoral approach to planning and implementation.

Analysis of the health sector using the right to health framework reveals that Accessibility, Availability, Acceptability and Quality of health services(AAAQ) still remain unacceptable. The Governor in his manifesto (2022) prioritised the use of the right based approach to service delivery for the people of Siaya. A right based approach provides a sustainable path to the realisation of Universal Health Coverage (UHC). The

a) Institutional and Organisation Structure

Section 18 of the Health Act, 2017 establishes the policy and standards for the performance of the function of Health at the national level through a structure that includes the Office of the Director-General of Health to which all other technical directorates report to.

Generally, County governments should adopt a structure similar to that given in the national policy and where differences are necessary, the resulting structure should not negate the principle of the policy. The Siaya County Health Services Act, 2019 prescribes a structure with two directorates: - the Directorate of Public Health and Sanitation, and the Directorate of Medical Services. Having two directorates that report independently to the Chief Officer of Health and which places administrative services under one of the two directorates is known to generate tension, undermine synergy and create operational dysfunction. These problems were observed and confirmed from interviews of the two directors. A structure closer to the provisions of the Health Act 2017 would resolve the dysfunction

b) Health Service Organisation

In line with the national policy on the organisation of health services, CGS has structured its service delivery into four levels. Level 1 serves approximately 240,000 households receiving community health services through community health units. Levels 2 and 3 comprise 163 primary health facilities made up of 36 health centres and 127 dispensaries respectively. There are ten (10) level 4 facilities out of which, only Siaya, Bondo and Yala meet the minimum requirements for that level.

Siaya has met the minimum requirements regarding average distance to a facility(4.2km against 5km) and therefore only needs to focus on improving existing facilities in terms of staffing, equipment and infrastructure upgrade. The decision to continue building more health facilities is however driven by the preference of local assembly representatives and primary health facilities (PHF) have been the projects of choice. This has led to a wasteful situation where 16% of the 127 dispensaries are not operational and the rest operating at suboptimal levels.

A good number of PHF record zero(0) antenatal visits and maternal deliveries. There are very low claims from Linda Mama indicating sub-optimal operations and capacity. There are 23 facilities that have no operating labs because either they have closed the labs because of personnel or have lab space without equipment and personnel. 43 primary care laboratories are needed in the county to effectively respond to the demand for antenatal care profile investigations, an important maternal intervention to reduce maternal and perinatal morbidity and mortality.

The Taskforce noted the good performance of Community Health Services(CHS) that has resulted in specific output indicators such as in maternal and child health making significant

improvements since 2017 despite low prioritisation. It is the conviction of the Taskforce that Prioritising CHS would accelerate improvements in impact indicators, community health ownership, integration of sectors at community level through village administration and drive accountability across the health system. Prioritising CHS further promotes Primary Health Networks as contained in the guidelines issued by the ministry of health in august 2021.

There is no documented growth path for all the level 4 hospitals and none has a Hospital Management Committee for oversight. There is no structure and systems for clinical accountability and observance of right to health although the three hospitals of Siaya, Bondo and Yala are noted to have generally made some significant improvements compared to past years . There are currently 1700 hospital beds in the county against the requirement of 2000 beds to effectively serve siaya's population. The bed demand is projected to increase to approximately 4300 by the year 2063 thus making it necessary that a long term plan for the development of hospital services be done in a coordinated way while taking into account the potential contribution of private actors.

The Taskforce proposes a multi-facility hospital management Committee be set up to oversee all the level 4 services and provide a long term comprehensive development masterplan.

c) Leadership and Governance

The leadership and governance of the Department of Health and Sanitation in CGS is weak as a result of several factors. The primary contributing factor is a faulty organisation structure that institutionalised dysfunction. This needs to be corrected by creating the office of the director for health. Given also that CHS is a high impact level service, the Task force again proposes a position of the deputy director for CHS filled by a family physician who will also coordinate Primary Health Care Networks.

The three year strategic plan 2021 - 2024 outlines operational level intervention and does not prescribe programmatic approaches to address the health issues identified. For instance one of the health issues identified is the high rate of mortality from malaria. However, the Strategic plan does not analyse the national malaria eradication program. Gaps identified in such analysis can be addressed to compliment the vertical program and help achieve an accelerated reduction of the burden. The plan again misses some unique public health situations such as sickle cell disease (SCD) despite Siaya having been identified as the epicentre in Kenya.

The previous two CIDPs appear to be lists of projects mainly, for construction of primary health facilities rather than targeted strategic solutions to the health issues of the County. The review also noted the absence of a multi-agency/ multi-sector approach to planning for health. There is a need to strengthen the planning department.

d) Health Financing

The role of health financing is in raising the required resources for health and health care, removing financial barriers to health care and minimising financial risks implied by illness and, making better use of resources.

The Taskforce noted that the health insurance coverage in Siaya is low (< 16%) and therefore there is need to improve on this through collaboration with NHIF and private actors. To quickly improve OSR, special attention should be put on Linda Mama that is barely claimed by primary health facilities. Linda Mama refunds can potentially raise over KES 130 million to the department and increase total OSR to KES 500 million at current level of service delivery and method of collections.

Linda Mama was under-collected/under- claimed by primary health facilities to the tune of Ksh. 60 million (or 97% revenue loss) in 2020 and Ksh. 40 million (or 75% revenue loss) in 2021. The three level 4 hospitals on the other hand registered an average of 70% collections for Linda Mama in the two years reviewed. The total revenue loss in the Linda Mama program for the two years was KSh. 80 million and KSh. 71 million respectively. This failure to file claims for reimbursements is a pointer to serious weaknesses in the revenue collection system especially in primary health facilities.

The lack of a clear strategic orientation for the development of the sector means that there is no innovation or forward thinking to target, attract and exploit non-traditional mechanisms to finance healthcare.

e) Commodities and Technologies

The following key issues were identified with respect to the management of commodities and technologies:

a) Absent or weak Health Products and Technologies Unit (HPT) and Medical Therapeutic Committee(MTC) at the county and the hospital levels respectively.

There is no coherent and objective unit responsible for the management and control of health products at the technical level.

b) There is no minimum essential list of medicine to support the minimum essential services as per the right to health requirement. Without this basic strategic guide in purchasing medicine, random purchase leads to perpetual wastes and frequent stock-outs.

c) Leakages resulting from theft by health workers is generally perceived as a major source of commodity shortage. However, when asked to indicate the severity of the problem, the experts pointed out that theft contributes just 5% of total supply leakage. The larger percentages were attributed to moral hazard, provider discretion or prescription preference, and overpricing of health commodities purchased outside KEMSA and MEDS.

d) Moral hazard is prevalent in systems where patient identification is difficult, availability of drugs is perceived to be uncertain especially by those with chronic conditions that require lifelong treatment, and political events to mark distribution of drug supply is common. The system is abused through multiple visits by patients and non-patients to different health facilities with the objective of stockpiling drugs in their homes for "future illness" and or future shortage.

e) Provider discretion occurs where clinical governance(clinical accountability) is weak and there is a lack of seniority referral mechanism. It results in providers over-investigating and over-treating patients thereby causing the costs of services to be higher than necessary.

f) There is a lack of a suitable health information system to collect, store, manage and transmit a patient's electronic medical record as per policy requirement. A good healthcare information system can be used for disease surveillance, prevent moral hazard, limit provider discretion and generally improve clinical accountability.

f) Human Resource for Health

The issues raised in the section on human resource affect the department of health as well. There is a severe shortage of specialists at the doctor and nursing level, this shortage is worsened by attrition without replacement. The staff establishment for health does not fully

address itself to the needs of health management in the county thereby omitting such key specialisations as epidemiologists and health economists. Although there are initiatives to train specialists at doctor level, the same has not been extended to the nursing level. There is a need to increase the number of specialty nurses in the areas of maternal and child health, ICU, surgery and in areas where critical diagnostic equipment has been purchased e.g endoscopy tower and EEG which are lying idle for lack of complete teams to operate them.

g) Emergency Services

A large percentage of the mortality in Siaya is a consequence of a lack of emergency evacuation and paramedical services in the front line teams. There exists an ambulance service, a fire fighting service and a disaster management unit. However, there is no Emergency Operation Centre (EOC) to coordinate these emergency services. An EOC coordinates resources including ambulances, information, and crisis and Emergency Risk Communication. It also coordinates with national agencies including security. EOC enables the department to provide rapid response in the support of citizen access to health services including maternal care and emergency response to quick and slow onset disasters, accident and fire victims amongst others as well as coordinate, monitor and manage all front line teams. This needs to be set up in Siaya.

3.7.3. Land

The Taskforce was apprised of the achievements of the Lands Department. The department informed the Taskforce that the sector targeted to reduce land related conflicts and build investor confidence through land surveying and mapping of principal towns, intermediate urban centres, public land, markets and county roads. The sector also targeted to improve efficiency of land records through automation of public land records and banking. The information also indicated that the sector also achieved the following:

a) Erected nine (9) control pillars in three principle towns and intermediate urban centres; surveyed and demarcated boundaries for (100) public parcels of land, (200) kilometres of county roads and one (1) hectare of Got Ramogi heritage site.
b) Established a land records office at the County headquarters and scanned (7,000) public land records of five sub counties.
c) Procured 22.13 hectares of land to increase its land bank, held 37 sensitization forums on land issues, delineated 12 Urban boundaries, approved 12 Market layout plans and prepared Siaya County Valuation and Rating Bill, 2021.

d) In order to manage land and its resources for sustainable development, the sector developed 12 urban plans for principal towns and markets as well as a draft County Spatial Plan.

The Taskforce noted that the County has been acquiring land through purchase for various uses despite the lack of a policy document such as an approved spatial plan. In view of future environmental concerns such as waste management, we recommend that land purchases be put on hold until policy documents including the spatial plan, waste management master plan, and the anticipated Eco-City are developed and approved.

The Taskforce further notes that there are policies, draft bill and reports notably, the Siaya County Spatial Plan; Siaya County Valuation and Rating Bill, 2021; and the report delineating boundaries for Ugunja and Bondo as municipalities; and Ukwala, Yala, Usenge, and Sega as towns that were submitted to the County Assembly. The spatial plan and the County Valuation and Rating Bill may have lapsed and require resubmission.

3.7.4. Infrastructure and Energy Sector

The Taskforce also held discussions with the Department of Public Works, Roads, Energy and Transport and noted that this sector is facing various challenges as indicated below:

a) The department has inadequate staff and technical capacity supervising the roads and the public works projects. The department is in dire need of staff, equipment and logistical support for its operations.
b) There is no clear cut policy on emergency road interventions. Such interventions if not properly planned end up contravening the PPADA, 2015. This goes together with random and endless public requests for road interventions. A thorough roads profiling and traffic analysis should be done on our roads to establish priority during the budget process.
c) At the moment the governor relies on manual updates and reports to monitor ongoing projects. There's an urgent need to automate and digitise the project monitoring dashboard which will enable the Governor to access the project status and progress in real time and from anywhere. The department urgently needs to implement an effective project management system running on an ERP platform that is integrated into the IFMIS system.
d) At the moment the Energy is a small division within the directorate of Public Works which negates the importance of energy as a driver in our counties cannot be gainsaid.

There has been deliberate efforts and push for the energy section to be upgraded to the directorate level and eventually to departmental level. We look forward to the realisation of this effort soon rather than later. This will fast track the energy related projects and enhance partnerships.

e) The budget cycle and the processes therein hinders the implementation of projects and the absorption of funds, which is a key performance indicator across the counties. The budget teams could fast track the process, especially the supplementary budget, to enable the prompt implementation of the projects. There should also be strict fidelity to the department's development budget proposal on an item by item basis. At the moment budget items are slashed or struck out altogether. This misaligns the project implementation from the procurement plan.

f) The Taskforce noted that the County had incurred heavy losses in litigations and compensations over road reserve encroachment disputes. The department therefore opted to have 2 surveyors seconded from the department of lands to perform all the preliminary survey works on the roads before implementation of roads projects. drastically reducing the encroachment conflicts and saving the county compensation payouts.

g) It was noted that the county is incurring costs occasioned by the lack of materials laboratory in the county as soil tests have to be conducted in Kisumu. The department has provisioned in its FY 2022/2023 budget an amount of Kshs.3m to jumpstart the equipping of the materials lab. This initiative and strategy will earn the county revenue as contractors will perform the various test locally at a chargeable fee

3.7.5. Education

Under the fourth schedule of the Constitution, County Governments are assigned the functions of pre-primary education, village polytechnics, homecraft centres and childcare facilities. These functions are performed by the Department of Education, Youth Affairs, Gender and Sports. The Taskforce reviewed the current performance of education and made the following key findings:

a) The County has 700 primary schools each of which hosts an ECDE centre. In addition to these there are some ECDE centres hosted by religious organisations and a few stand-alone centres. Of the 700 ECDEs hosted in primary schools, only 340 centres have classrooms constructed and equipped with some basic learning materials. Dedicated classrooms are yet to be constructed for the remaining 360, meaning that more than half of the ECDE centres are operating out of temporary structures.

b) Currently the department has 608 ECD teachers against a requirement of a minimum

of 1450, indicating that there is severe under-staffing.

c) Given that primary schools fall under the supervision of the National government, the Taskforce could not establish with clarity, what the mechanism of management and supervision that County has established for the ECDE centres hosted in primary schools facilities and noted that this could lead to conflict between the parents associations, headteachers and ECD teachers.

d) On paper Siaya has a school feeding program complete with a Chief Officer, however, the program is dysfunctional and is mostly administered in an ad hoc manner which varies from ward to ward. Although there is a substantive Chief Officer, there is no policy or operations guide for the school feeding program. With the high level of stunting and low level of human development, school feeding programs should be a priority.

e) The County has 35 Vocational Training Centres (former polytechnics). However, the information available indicates that there has been minimal investment in the development, equipment and staffing of these centres. Many of the VCT have only one county employee and only occasionally receive provisions of learning material. Therefore, the majority of the teaching staff are volunteers with little or no supervision. Consequently, the VTC has not developed appropriate curriculum and to offer relevant courses that address the needs of the prevailing labour market. The enrollment is therefore very low.

f) The County runs a bursary fund established by the enactment of the Siaya County Bursary Education Act. Through this legislation, the County allocates an average of KSh. 75 million to bursaries annually. 3% of the Fund is used for administration while the remaining 97% is divided equally to the 30 wards. The applications are processed at the ward level, after which a proposed list of beneficiaries are submitted to the county office for processing. A county bursary committee has been set up to address any grievances that may arise during the process at county level. The general criteria for the issue is that university and college eligible applicants receive KSh. 10,000; national secondary schools 20,000; county boarding schools 10,000, day schools 5,000 and special schools 10,000. Payments are made directly to the schools through bank transfers

g) The Taskforce noted that there are challenges in the management of the Bursary Fund and that the accuracy of financial statements for the last three years could not be confirmed. The internal audit report indicates that there were unsupported administration expenses amounting to Ksh. 3,411,700 as of 30 June 2019. Further, the financial statement shows an amount of Kshs. 144,648,746 in respect of bursaries to students. However, the amount reflected in the final list of beneficiaries availed for audit was Kshs. 83,295,000 and therefore, an unexplained variance of Kshs. 61,353,746.

3.7.6. Climate Change

Weather and climate will cause economic and societal impacts across the County with increasing risk projected in the water, health, energy and food sectors. In effect, changing climate is affecting growing seasons in Siaya County due to increasing temperature and unpredictable rainfall. It is predicted that the main growing season, *chwiri*, between March and May will experience moisture stress of 40-45 days leading to reduction in crop cycles. Rainfall

will be adequate but not well distributed through the growing season leading to poor harvests or crop failures. Our short growing season, *opon*, between September and November will get more rains with better distribution. Given that Agriculture contributes 60% of household income and 61% of employment, the climate impact will immediately be felt in Siaya. Thus climate risk needs to be mainstreamed in county plans.

3.7.7. Gender

Despite a progressive Constitution that promotes gender equality and women's empowerment, gender inequality remains a key concern in Kenya including Siaya. The patriarchal social order supported by statutory, religious and customary laws and practices; and the administrative and procedural mechanisms for accessing rights have continued to hamper the goal of attaining gender equality and women's empowerment.

In Siaya the Taskforce noted that the key challenges affecting empowerment of women are as follows:

1. Siaya county does not have a gender policy that will guide mainstreaming gender across all sectors.
2. During departmental interviews it was observed that only two women were at senior levels and upon scrutiny of the HR database, it was confirmed that although some women were appointed at the level of CEC, this is not reflected across critical decision-making positions within the county, For example, there are no women at Chief Officer level.
3. The current structure addresses gender issues within the department of education, sports and youth, thus obscuring allocation of resources specific to women. This arrangement makes it difficult to mobilise resources targeting women from donor funding

On sectoral issues, women continue to lack access to and control of resources within the county. This indicates that they have low-income levels and are excluded from the major decision-making machinery - within the different sectors including agriculture, health, education, water, land, climate change, environment and blue economy. Exclusion in addressing gender as a crosscutting issue negatively impacts efforts to address food and nutrition security, maternal and infant mortality rates amongst others.

The Taskforce also noted that female headed households are increasing and there are no initiatives reflecting this dramatic shift across all sectors.

The Taskforce also noted that there is scanty data disaggregated by sex which leads to a constraint in targeting women in the development process of Siaya. For instance in the blue economy sector, there is a lack of funding targeting women and without data and a focused gender policy in the county, it means the county will continue to miss out on the available funding opportunities.

4. RECOMMENDATIONS & CONCLUSIONS

This section outlines the policy, institutional and operational recommendations derived from the findings of the Taskforce. It provides both holistic and sectoral interventions to the issues identified. The overarching premise of the recommendations is anchored on Agriculture as the driver of the County's socio-economic delivery. The sections below detail the proposed interventions.

4.1. STRATEGIC ANCHORING OF THE 'NYALORE' MANIFESTO

When the Nyalore Manifesto is unbundled it is apparent that it is a people based blueprint for the development of Siaya. The Taskforce identified Agriculture as the anchor sector to drive the manifesto. Using this approach, the people will be involved in the development of the county through agri-based social enterprise, commercial and industrial systems.

The vision of the Nyalore Manifesto is shared economic prosperity. While the high level outcome of the agri-based approach will lead to healthy, wealthy and food secure households. The delivery of these outcomes is through the design of a five-prong programme approach entailing:

a) Social Enterprise Program;
b) Commercial Systems Program;
c) Industrial Systems Program;
d) Market Systems Program; and
e) Business Development and Health Services.

To deliver the Manifesto, it is anticipated that the sectors and systems of the County will be aligned to enable and support the implementation of these five programs. We have mapped out the five programmes, ato identify the driving and enabling sectors and the corresponding Manifesto promises that they address as outlined in table 4 below.

Table 4: Summary of multi-sectoral and manifesto priority relations of the Agro-based approach

Program Area	Enabling Sectors	Relevant Manifesto 9-Point Promise
Social Enterprise	- Agriculture (anchor) - Health - Education - Water - Environment - Gender & Youth	1, 2, 3, & 9
Commercial Enterprise	- Agriculture (anchor) - Water and Irrigation - Roads, energy and Transport - Trade and Industrial Development - Health - Lands, Physical Planning and Urban Development	1, 2, 3, 5, 7 and 9
Industrial Systems	- Trade and Industrial (anchor) - Agriculture - Water and Irrigation - Roads, energy and Transport - ICT - Education - Lands, Physical Planning and Urban Development - Tourism, Culture and Social Services	2, 3, 4, 5, 7, 8 and 9
Market System	- Trade and Industrial (anchor) - Agriculture - Finance and Economic Planning - Roads, energy and Transport - Health - Lands, Physical Planning and Urban Development - Tourism, Culture, Sports and the Arts	2, 3, 4, 5, 6, 7, 8 and 9
Business Development & Health Services	- Agriculture (anchor) - Trade and Industrial (anchor) - Finance and Economic Planning - ICT - Roads, Public Works, Energy and Transport - Health & Sanitation - Lands, Physical Planning and Urban Development - Education	1, 2, 3, 4, 5, 6, 7, 8 and 9

4.2. PUBLIC FINANCE SYSTEM

The recommendations with respect to strengthening the financial systems for the county as outlined below:

4.2.1. Streamline Annual Plans and Budgets

For the County to adopt a program based approach as outlined in 4.1 above, it requires the incorporation of these programmes in the CIDP and subsequent translation into annual plans and budgets. The annual plans and budget will be presented to the County Assembly in the County Fiscal Strategy Paper for approval. Once approved, the strategy paper becomes the basis for budget estimates prepared by the Executive for consideration and approval by the Assembly in accordance with the provision of section 131(3) of the PFMA, 2012 and Regulation . To strengthen budget implementation:

a. The Chief Officer Finance to discontinue the practice of managing the budgets of other departments. Each Chief officer should have authority over the implementation of their individual budgets.

b. The County Treasury should establish a budget implementation committee comprising the Chief Officers of all Departments to collectively deal with budget implementation matters.

4.2.2. Revision of the Budget Format

There is a need to structure the budget in line with delivery aspirations of the County. It is imperative to correct the current interpretation that all personnel costs are recurrent expenditure, whereas a material expenditure on personnel is directly related to the delivery of development programs and should be treated as part of development investment and recognised under development budget. Consequently, the Task Force recommends categorising direct delivery costs which would be in line with international costing standards. Further, the Taskforce recommends that the Executive engage a consultant to conduct a study to review all personnel costs and to identify and categorise personnel costs that are core to the delivery of programs and mechanisms of integration into the development budget.

a) Recurrent i.e those that are directly linked to administrative and support services (non-

core) activities, that only encompasses salaries of staff in these support services departments.

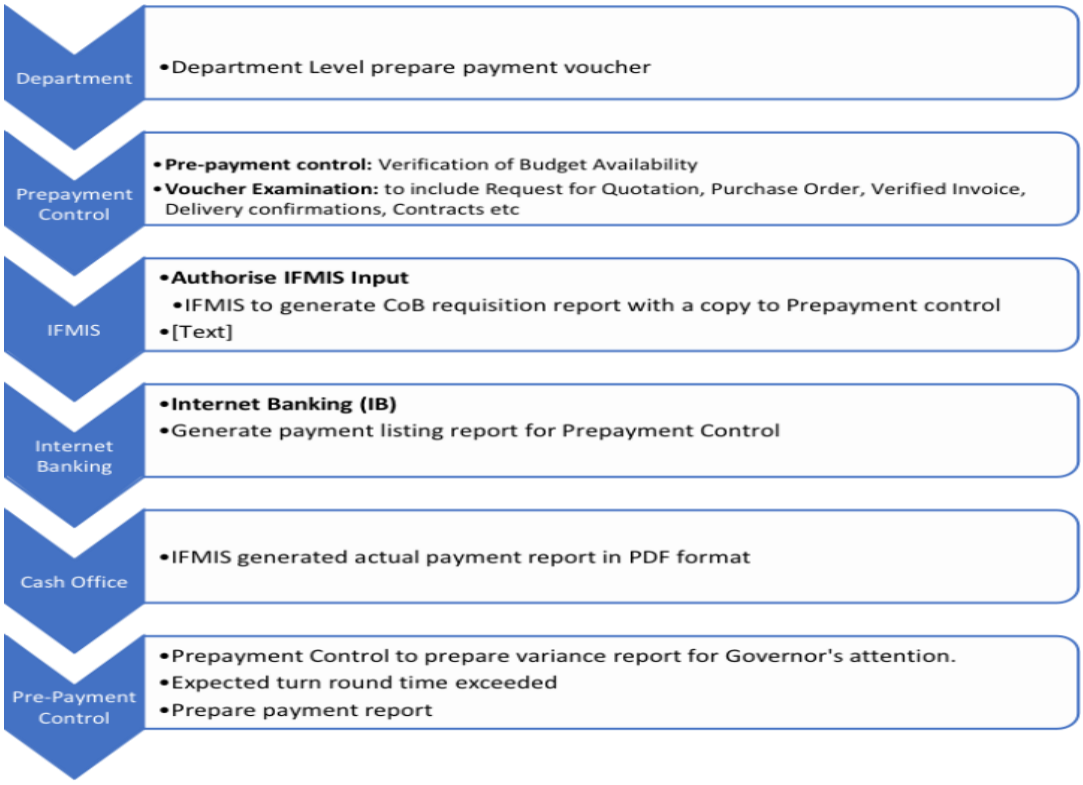
b) Operational costs which are directly linked to delivery of programmes and activities by the Departments (core) and should be captured under the development budget, notably staffing, logistics, works and equipment required to the delivery programs and activities.

c) Other long term capital investments in works and infrastructure required by the various units.

4.2.3. Overhaul of the Finance Department

Prior to the eventual overhaul of the Finance Department, as an interim stop-gap measure, the task force recommends to the Governor to institute within his office a prepayment internal control check independent of the finance function. The objective of this intervention will be firstly to approve the budget requisition to the COB; and secondly to oversee the payments once the exchequer is released by ensuring only payments listed in the requisition are made. At each instance, the prepayment control will ensure that the departmental requisitions are properly supported by adequate documentation *inter alia* request for quotations/proposals, tender awards, contracts, delivery and completion reports before releasing to the finance department. The overall process flow for the prepayment process is as illustrated in the figure below.

Figure 1: Prepayment control process



Having taken note of the financial mismanagement, the Taskforce has reviewed the levels of financial mismanagement and notes that this mismanagement has been institutionalised. This institutionalisation of financial mismanagement can only be cured through an overhaul of the Finance Department.

4.2.4. Settlement of Pending Bills

The Taskforce received the report on pending bills amounting to a total of KSh. 1,036,606,598.36 of which Ksh. 463,161,010.13 related to development expenditure while the Ksh. 573,445,588.23 relating to recurrent expenditure. The Taskforce reviewed each of the outstanding bills individually and examined them against the following criteria:

i. whether there was a budget at the time of the procurement
ii. Whether the procurement process was followed and proper contract document issued
iii. The type, value and date of issue of contract document (Contracts, LSO, LPO)
iv. The type of service, goods, works being procured
v. whether it was invoiced and appropriately supported with acceptance of goods/services delivered or certificates for work done

Consequently, the Taskforce established the following:

a) There are bills which are eligible and ought to have been paid;
b) There are bills which ought not to be paid and therefore ineligible;
c) There are bills which appeared in the listing for which there were no files;
d) There are bills which were presented with multiple invoices which ought to be reconciled;
e) There were bills which have inadequate supporting documentation;
f) Statutory commitments which ought to have been paid.

The table below provides the monetary amounts relating to the categorisation above.

Table 5: Monetary amounts of pending bills categorisation

Category of Pending Bills	Development	Recurrent
(i) Eligible and ought to have been paid	277,093,861.27	115,362,330.77
(ii) Ineligible and ought not to be paid	10,522,512.26	10,318,525.85
(iii) Ineligible as there were no files	866,556.88	117,847,813.96
(iv) Payable subject to reconciliation	136,812,914.40	19,331,117.00
(v) Payable upon provision of missing documents	37,865,165.32	117,432,966.48
(vi) Unpaid salary by-products (statutory payment)	0	193,152,834.17
TOTALS	463,161,010.1	573,445,588.2

With respect to the bills in (iii), (iv) and (v) above, the Taskforce recommends the establishment of an independent special committee to review and determine those which would meet eligibility criteria.

4.2.5. Supply Chain Management

The principal issue identified on review of the supply chain system is the lack of adherence to the end-to-end contract management procedures. The Executive should enforce compliance of the procurement process with the requirements of Section 152 of the PPADA, 2016. This ensures that the Supply Chain Department is involved starting from the development of the procurement plans to the closure of all contracts and release of retention money. The Supply Chain Department shall in this process maintain a single file for the management of each contract from requisition to closure of the contract. This file should be the basis for the preparation and submission of monthly progress reports of all contracts to respective Accounting Officers by the procurement department. This recommendation does not in any way absolve the procuring entity from the responsibility of maintaining proper record of project

execution/implementation.

4.2.6. Own Source Revenue

To ensure that the county attains it potential in owns source revenue, the Task Force recommends as follows:

a) Urgently develop a revenue policy anchored on the 'Nyalore' Manifesto to enhance efficient, service-driven collection and administration of County Government Own Source Revenue that provides justification and criteria for determining user charges, tariff pricing, subsidies and waivers.

b) Prioritise the enactment of principle legislation for the fees and levies that are at the moment not supported by county legislation and fast track the approval of the County Spatial Plan and valuation roll.

c) Design a revenue collection strategy which will be anchored on an integrated digital revenue platform that will enable ease of collection, recording, reporting and integrity of revenue function. The Taskforce highly recommends that the County considers outsourcing such a platform.

d) Following the development of the policy, the Taskforce recommends the restructuring of the revenue function in line with the recommendations of the policy developed in (i) above.

4.3. HUMAN RESOURCE MANAGEMENT

4.3.1. Authority and Autonomy of the CPSB

The Taskforce makes the following recommendations with respect to the authority and autonomy of the CPSB:

a) The executive should grant the CPSB autonomy of its operations by making it a cost centre with its budget provided as a single line vote head. This will allow the CPSB to manage its own affairs and reduce friction between its leadership and the Executive.

b) Strengthening of the CPSB secretariat through the recruitment of staff based on an appropriate establishment.

c) The CPSB should fast track the issue of the instrument of delegation of functions and powers to the executive, which should clearly spell out the terms of engagement in this principal-agent relationship.

4.3.2. Exercise of delegated powers and functions by the Executive

a) The Taskforce recommends a capacity assessment and staff rationalisation exercise which will include forensic audit of the current staff establishment, review of the current public service organisation in each department, creation and abolishment of offices, re-organisation of departments and determination of appropriate staff levels, skills and competences required to delivery of the '*Nyalore'* manifesto
b) Reconsider the ongoing recruitment in line with our recommendation relating to staff rationalisation.
c) The exercise of the delegated powers in (i) above would require leadership and technical skills that are currently not available in the Human Resource Department. The Taskforce recommends the recruitment of a qualified and competent Human Resources Director and staff.
d) Reconstitute the CHRMAC as required by law and establish the internal communication and reporting channels between it and the CPSB through the Office of the County Secretary
e) Discontinue the direct recruitment of temporary staff (casual) by departments and establish a system for all such recruitment to be carried out by the CPSB subject to approval of the request by the County Executive Committee.

4.3.3. Payroll Management

a) Conduct a headcount and audit of both the IPPD and Manual payroll to determine the actual number of employees of the county government irrespective of terms of employment.
b) The county should ensure that the names that appeared in the 111 cheques sent to the DCI should not appear in either of the payrolls.
c) Provide all staff with a personal number and include them in the IPPD system regardless of their terms of employment.
d) Terminate the use of the manual payroll as a matter of priority and transfer all payment

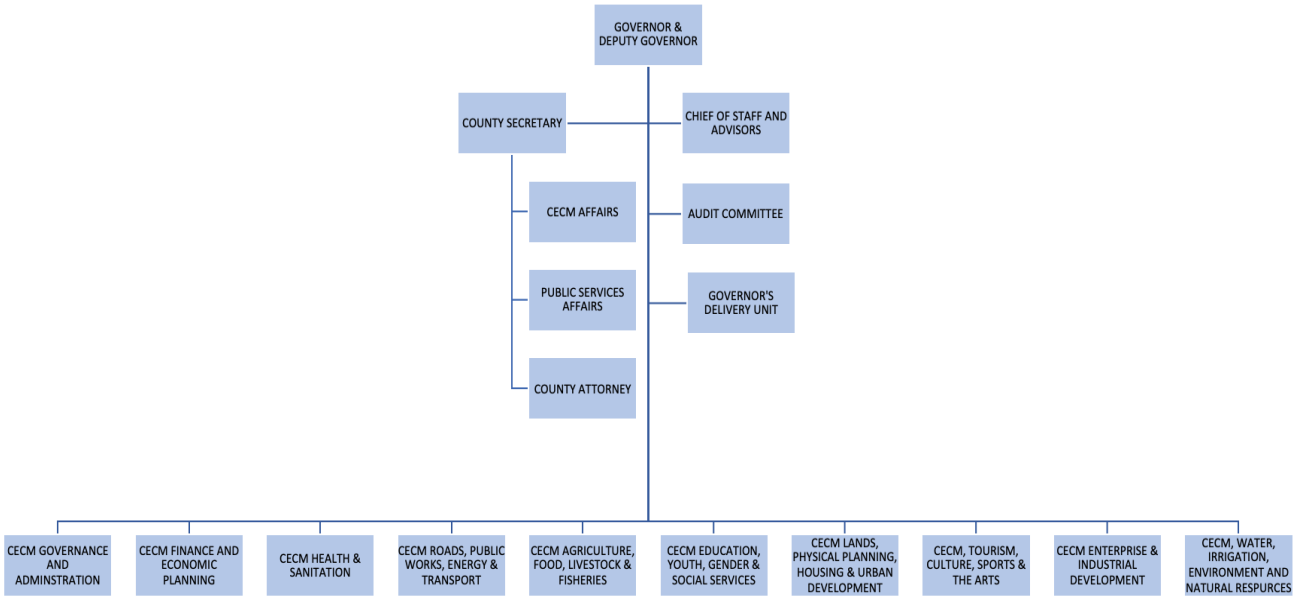
of salaries into the IPPD system.

4.4. GOVERNANCE

a) The delivery of the *Nyalore* Manifesto requires a fit for purpose governance structure. The Taskforce reviewed the governance structure and recommends the the following changes to the organisation of government:

i. Separation of the Department of Governance and Administration from the Office of the Governor
ii. Strengthening of the Office of the County Secretary with three directorates namely, the Executive Committee Affairs, Public Service and ICT, Chief Operations Office and the County Attorney.
iii. Establishment of the Governor's Delivery Unit as a directorate reporting directly to the Governor.

The resulting organisation structure is as illustrated below:



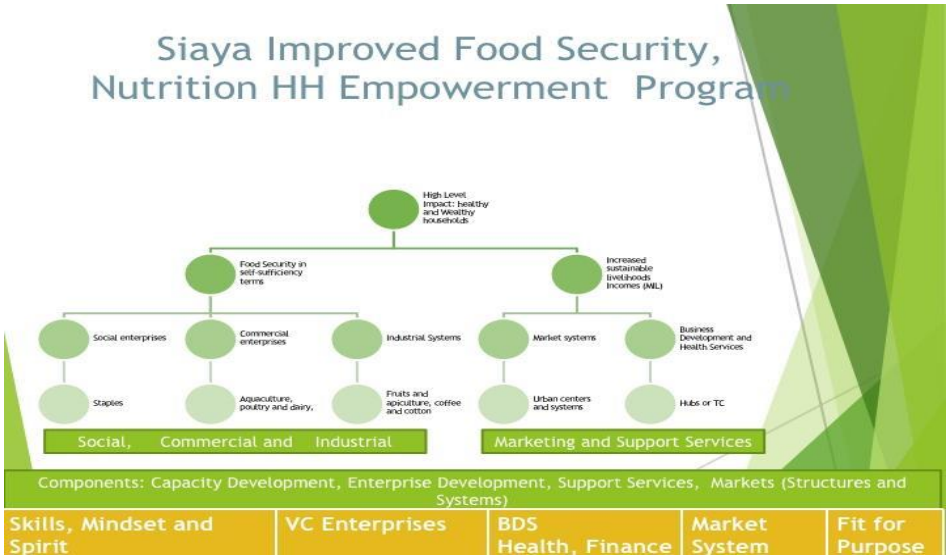
Further to this recommendation, the Taskforce also noted that the indents provided in the recent advertisement for the vacant position of Director of Governor's Delivery Unit is inadequate not only for the strategic county orientation and therefore does not also respond well to suitability of potential candidates.

b) To ensure that the public service has the capacity to support the implementation of the program as outlined in 4.1, the County should review the interpretation of functions in sufficient detail to develop robust establishment for the county public service which defines the qualifications, skill sets and competencies required in all technical departments.

4.5. AGRICULTURE

The *Nyalore* Manifesto is anchored on Agriculture aimed at realising empowered households that are food and nutrition secure. Increasing agricultural productivity and improving market access can stimulate more rural poor households to grow enough food, part of which can be sold to increase household incomes and spur their well-being and wealth creation. Improving agricultural productivity also allows more jobs to become available along the agricultural value chain nodes, and this leads to a rise in the supply of food, therefore, reducing food prices making it affordable. This will increase access to nutritious food thereby addressing the endemic food and nutrition insecurity.

The Taskforce recommends a paradigm shift on how Siaya develops its agricultural sector by changing the focus from simple increase of output and productivity to improvement of the productivity frontier. This will require a shift on knowledge exchange and management systems through development pathways akin to that rolled out by Swynnerton in 1952. Such a shift would require reprogramming of the agricultural sector from subsistence and traditional based systems with low labour, land and capital productivity into a knowledge and technology driven sector as outlined in the conceptual framework in the figure below.



a) The Social Enterprise Program

This will involve a majority of producers and will target providing basic subsidy support to secure household food security and basic income generation. The extension model of outreach will be the core support service given by the county government. This segment will benchmark on the One Acre Fund model to structure a responsive extension and subsidy support targeting value chains that are climate smart and that address the core food security elements at household level. This program shall drive the production of staples such as maize, beans, cowpeas, cassava, millet, sorghum etc. that support food and nutrition security at household levels. The social enterprise shall be supported through extension services, subsidy and input, mechanisation by the County Government. Another cohort of cereal producers shall align with the National Cereal and Produce Board through the warehouse receipt system to stabilise prices of staples.

b) Commercial Enterprise Program

The commercial segment will hinge on identification of an anchor value chain with potential to spur growth of other supportive value chains and to drive the engagement and growth of SMEs. This model will focus on increasing value chain competitiveness which comes from the ability of all actors in a value chain—from input providers and farmer producers, to firms, exporters, and retailers—to anticipate and meet buyer needs, take advantage of end-market opportunities, and adequately respond and adapt to changes in market demand. The program shall be organised around the key protein value chains of aquaculture, poultry, shoats and milk which have a corresponding need for crop value chains (maize, sorghum, cassava, sweet

potatoes; soy beans, biofortified beans, cow peas, sunflower, cotton) as feed inputs. The same set of crops are also required in the food basket. A roll out of the animal value chains structured around a hub concept would provide the market pull that will spur increased investment in the production of the staples. The commercial program activities will focus on with the anchor value chain with the following criteria:

i. High potential for growth and scales out,
ii. Potential for commercialization,
iii. Potential to earn high incomes and create employment,
iv. Engages a large number of producers and SMEs,
v. Is youth and women responsive,
vi. Adaptable to the changing and varying climate.

c) Industrial Systems Program

The industrial segment will centre its efforts on working with high potential anchor firms to engage input suppliers, farmers, exporters, and retailers in order to foster a stronger, more efficient and pro-poor value chain. This segment will be market-demand-driven grounded on a process that will be designed to ensure the appropriate selection of strategic anchor firms (e.g. Olivado for Avocado), based on competitive value chains and sub-sectors, and then target those firms and their participating producers groups to strengthen vertical and horizontal linkages, while working with supporting institutions to enhance the availability of financial services to the value chains. A strong agro-industrial culture and drive will ensure that this action is realised. Partnership with strong anchor firms that can drive the system modelled around the operations and mechanisms of KTDA will ensure success of this action.

d) Market Systems Program

The market system program will involve collaboratively developing and creating a market system using the roads - urban centres - Eco-city - value chain firms - hub model, to be organised and developed around town centres. Bondo town to be developed for aquaculture, Yala for dairy and milk processing, and Ugunja for avocado fruit and apiculture industry.

e) Business Development and Health Systems Program

The business development and health systems program will be developed to respond to public-private partnerships support systems through establishment of incubation hubs, agri based

urbanisation such as the establishment of the Eco-City and securing market for products identified in collaboration with off-takers in order to place agriculture front and centre as a major economic driver.The strategy should be to invite Siaya diaspora and others to invest as aggregators, off-takers, investment in the cold chain can run into billions, which in turn will provide local employment while building capacities and reducing the learning curve timeframe. This will create a huge nucleus and industrial development zones which are needed in areas like Yala swamp.

f) Success factors and drivers

The drivers of agricultural transformation in Siaya County are categorised into three areas:

i. **"Transformation readiness"** is championed by the changed political environment that necessitates changes to the county's institutional framework and governing mechanisms so as to create structures that will accelerate agricultural transformation in the county.

ii. The quality of the county agricultural sector plan and strategy and the CIDP. This model should find its footing in the sector plan and the third generation CIDP for coherence and relevance. The Taskforce recommends that the drafting of the CIDP incorporates Agriculture as the strategic anchor for the development of Siaya as detailed in section 4.1of this report. Further, it is imperative that the governor identifies a champion that would chair an interdepartmental steering committee to spearhead the implementation of the strategy. The committee will establish the necessary coordination mechanism and technical working teams.

iii. Delivery mechanisms that focus on what is needed to translate the inputs that will be factored into the CIDP into on-the-ground impact. This includes managing decision making and progress against targets as well as the use of change agents to support the large-scale behaviour change among targeted smallholder farmers that underpins a successful agricultural transformation.

iv. There is a need for the Department of Public Works, Roads, Energy and Transport to re-strategise to ensure that all infrastructure encompassing access roads, public works and transport are well coordinated and integral to county priorities and development agenda that is to be anchored on agriculture as the core of the strategic anchoring of the Nyalore Manifesto. Consequently we recommend that this department be accorded the necessary priority.

4.6. HEALTH

As singled out in the 'Nyalore' manifesto, health is an important component of development that determines among other things, the level of productivity of the population, living standards and, consequently, the level of development. In light of the people based focus of the 'Nyalore' manifesto, health is seen by the taskforce as one of the critical sectors in the achievement of the vision of healthy and wealthy households. The recommendations below are geared towards the achievement of the above objective.

Universal access to quality and affordable healthcare is the first of the priorities in the Nine Point Agenda contained in the Nyalore Manifesto. To achieve this goal of universal healthcare we are proposing the restructuring of the health function and development of a program approach to its implementation. The Taskforce interprets universal access to healthcare as:

a) access to the same quality of healthcare services at all health care service providers approved by statutory authorities;
b) continuous review of standards and authentication of health service providers to ensure they meet all statutory requirements at time of care;
c) health services at a cost that reflects economies of scale and efficiency along the supply chain to ensure best in cost of care;
d) access to all services, including, NHIF, private health insurance and Government subsidised services at all service providers that meet statutory requirements;
e) Universal access as defined in (a) to (d) above is irrespective of whether the service providers are public or private sector, and irrespective of the level of the facility.

On this basis, the proposed health programs are tied to and closely linked to the Agri-based approach that is the strategic anchor of the Manifesto. The recommended approach to health is through three program areas:

a) Community Health Program: Community Health Services is a high impact area in which Siaya has done well. The proposed program will build on existing structures and be supported through integration of school feeding programs, environmental programs, water and sanitation programs, nutrition programs, energy programs and access roads.

b) A **digital health management system** that is accessible to all and updated at each interaction between an individual and a health service providers that:
   i. maintains an individual's digital health record accessible across the the health levels,

and is available to health professionals, statutory authorities and service providers (laboratories, pharmacies, etc);

ii. facilitates online authentication of health professionals and service providers;

iii. tracks all consignments of medical commodities and technologies and suppliers as they move through the supply chain; and,

iv. facilitates invoicing and payments for all services and suppliers

These strategies are intended to create the capacity to manage a demand driven, responsive, cost effective and efficient health care delivery system that responds to cases and trends in real time. This will optimise allocation of resources by the private and public sector health care providers.

c) **Health Financing:** The taskforce explored a number of options to finance health in a sustainable manner recognising that county resources are limited. It explored the possibility of leveraging health financing on social insurance systems which can be tailored around agri-based social enterprise. For instance, the County should negotiate with insurance providers, to underwrite socially friendly insurance schemes that will ensure quality and affordable healthcare at no additional cost to either the public or private sector. Any decision taken should be evaluated for conformance with right to health as a necessary condition for implementation. The county government has the primary duty bearer obligation to respect,protect and fulfil human rights.

The Taskforce therefore recommends the establishment of a Technical Working Team to think through and design the Universal Healthcare Program based on the approach described above.

Further, the Taskforce has identified a number of immediate interventions in the health function which require to be addressed by the County Executive Committee Member for Health and Sanitation and these are contained in an Annex 5.

4.7. LAKE KANYABOLI ECO-CITY

The Nyalore manifesto under priority number five seeks to drive Siaya's growth to an urban enclave through construction of modern physical infrastructure and improvement of the roads network. The Taskforce proposes that Yala Swamp be considered for a Lake Kanyaboli Eco-City whose development will be driven by agri-industrial development and agri-business in satellite hubs of Bondo, Yala, and Ugunja. Lake Kanyaboli Eco-city is envisage as a climate smart city with a land use plan and zoning that encompasses:

i. environmentally friendly industrial developments with controlled habitation,
ii. Wildlife conservation
iii. Cultural, sporting and artistic hub
iv. Tourist destination
v. Water and waste management systems,
vi. tourism

The Lake Kanyaboli is a flagship project that should be accorded priority in the spatial plans and integrated into the CIDP of the County. To realise this city, the County should establish a technical team to embark on its realisation under the guidance of a county Lake Kanyaboli Eco-City development institution.

4.8. LAND

The Taskforce noted that the County has been acquiring land through purchase for various uses despite the lack of a policy document such as an approved spatial plan. In view of future environmental concerns such as waste management, we recommend that land purchases be put on hold until policy documents including the spatial plan, waste management master plan, and the anticipated Eco-City are developed and approved.

The Taskforce further notes that there are policies, draft bill and reports notably, the Siaya County Spatial Plan; Siaya County Valuation and Rating Bill, 2021; and the report delineating boundaries for Ugunja and Bondo as municipalities; and Ukwala, Yala, Usenge, and Sega as towns that were submitted to the County Assembly. The spatial plan and the County Valuation and Rating Bill may have lapsed and require resubmission.

4.9. EDUCATION

Siaya needs to prioritise education particularly at the ECDE and the VCT level. Under the *Nyalore* Manifesto Education will be a critical function as a baseline of enhancing the human development index. To deliver Education effectively, the Taskforce recommends the following:

a) Given that more than half of the ECDE centres lack classroom facilities, the county needs to develop the requisite infrastructure to support learning at this level.
b) Recruiting more ECD teachers and caregivers to strengthen existing capacity. This should not be considered under the wage bill but as a direct development cost to Education
c) Development of an ECDE policy to guide management, supervision and resourcing for this sub-sector.

d) The VTCs are a critical component to the delivery of the Nyalore Manifesto and the future Eco-City. The County therefore needs to develop a comprehensive policy to strengthen the VCT sub-sector.

The county should prioritise and revitalise the school feeding program. To do this, the Taskforce recommends the development of a policy and an action plan anchored on the County's Agriculture-led development strategy.

4.10. CLIMATE CHANGE

Siaya has different agro-ecological zones and climatic characteristics. This increases its exposure and vulnerability to climate hazards, particularly impacting farming and livelihoods. The Taskforce recommends the adoption of a nature-based approach to harmonise county plans to capture sustainable use of natural resources and to mainstream climate risk in the plans. Furthermore the County will need to respond along the following lines:

a) Improve the extension services to create awareness and educate farmers on the challenges they face due to climate change.
b) Advise farmers on the need, how, and when to grow short maturing, drought resistant crops during the long rains (*chwiri*).
c) Encourage farmers to embrace crop growing during *opon* (September-November rains) and provide advice on timing of land preparations.
d) Develop a program on rainwater harvesting for:
    i) potable water from roofs using storage tanks;
    ii) agriculture water from road runoffs to store in ponds for high quality crops and livestock watering.
e) Develop post harvest strategies for storage, value addition and markets.
f) Establish robust early warning systems and preparation towards climate hazards.
g) Promote public-private partnerships that integrate ecosystem conservation into development plans to conserve natural infrastructure.

4.11. GENDER

The task force is recommending that gender be taken to a department where it would be given equitable focus. Other recommendations are as follows:

a) To develop appropriate gender policies and strategies for effective coordination, harmonisation and linkages.
b) HR should ensure that there is equitable gender in decision making organs at institutional representation.

5. ANNEXES

Annex 1: LIST OF TASKFORCE MEMBERS

NAME	DESIGNATION
FCPA Edward Ouko	Chairman
Prof. Adams Oloo	Member
Dr. Grace Ongile	Member
Ms Bella Akinyi	Member
Dr. Peter Joseph Okoth	Member
Mr. Jared Buoga	Member
Mr. William Ooko	Co-opted Member
Mr. Leonard Okanda	Joint Secretary
Mr. Jared Abayo	Joint Secretary
Ms. Elizabeth Ouma	Member Rapporteur/ Policy and Governance
Mr. Joash Gomba	E-Governance and Systems Analyst
Miss Maurine Atieno	Human Resource and Accounting Analyst
Ms. Victor Opondo	Secretariat Assistant / Data Analyst

Annex 2: List of Interviewees

REPUBLIC OF KENYA

OFFICE OF THE GOVERNOR
COUNTY GOVERNMENT OF SIAYA

SUBJECT: TASK FORCE ON AUDIT OF COUNTY GOVERNMENT SYSTEMS & GOVERNANCE REFORMS
DATE: 7th-11th NOVEMBER, 2022 14th – 17th AND 21st – 24th NOVEMBER 2022

NO	NAME	DEPARTMENT	DESIGNATION	CONTACT	SIGNATURE
1	JOAB PETER ORONJE	ENTERPRICE AND INDUSTRIAL DEVELOPMENT	WEIGHTS AND MEASURES OFFICER	0706461309 oronjejoab@gmail.com	
2	EUNICE [illegible]	HEALTH	DIRECTOR M.S.	0728920818	
3	Bob Amino	Health	Ag CO H	0720328750	
4	HENRY OUMA	EDUCATION	CO-EDUCATION	0723411095	
5	Omuyo Stanley	Education	Ag CO	0722237454	
6	Walter Otieno	Lands	CO - Lands	0725782530	
7	George Ol Obare	CGS - Lands	Ag. Co- Lands	0720295286	
8	Josiah Omoro	F&D Department	Ag chief officer	0714779139	
9	Dr Samuel Omadi Owino	Water, Environment	Ag CO WENR	0713236199	
10	JAMES ONYANGO	PUBLIC WORKS, ROADS, TRANSPORT & ENERGY	CO-ROADS	0722656931	
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12					
13					
14					
15					

REPUBLIC OF KENYA

COUNTY GOVERNMENT OF SIAYA

SUBJECT: TASKFORCE ON AUDIT OF COUNTY GOVERNMENT SYSTEMS & GOVERNANC REFORMS LIST OF INTERVIEWEES

DATE: 21st – 24th NOVEMBER, 2022

NO	NAME	DEPARTMENT	CONTACT	SIGNATURE
1	Hezbon Mariwa	Finance & Econ Planning	0728030000	
2	Henry O. Juma	Water, Environment & NR	0717952809	
3	Dr. Otieno Owino Erik	DOALF (Agriculture)	0734644033	
4	Vincent Okoik	DOALF (Agriculture)	0720070624	
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REPUBLIC OF KENYA

COUNTY GOVERNMENT OF SIAYA

SUBJECT: TASKFORCE ON AUDIT OF COUNTY GOVERNMENT SYSTEMS & GOVERNANC REFORMS

DATE: 24th – 27th OCTOBER, 2022

NO	NAME	~~INTERVIEW~~ DEPARTMENT	DESIGNATION	CONTACT	SIGNATURE
1	JECONIA OMOKDI	PAYROLL	HEAD OF P/ROLL	0723244392	
2	SUSAN RABAH	GOV & ADMIN	Ag. DHRM	0729330293	
3	WILLIAM ODRO.	INTERNAL AUDIT	DIRECTOR	0721640519	
4	Hezron Opiyo	Finance	Accountant	0720673694	
5	KETA MOSES OINTH	ACT DIRECTOR REVENUE FINANCE	ASST. DIRECTOR REV	0725569 80	
6	PETER ASUMA	ADMINISTRATION	D/Administrative	0724956247	
7	Amb. P.R.O. OWADE EBS	COUNTY ATTORNEY/CS	COUNTY ATTORNEY/CS	0744706462	
8	Magwia Sammy Nyaesi	Director, ICT (Tourism)	Director, ICT	0724024540	
9	Jared Abayo	Gov & Admin.	Ag. Coordinator	0722717657	
10	Dr. Elijah Auma	CPSB	CHAIRPERSON	0722-721562	
11	Klilfred Nyagondi	CPSB	Ag. Sec/CEO.	0711450125	
12	Joseph Ogutu	County Secretary	County Secretary	0722601226	
13	Joseph Omondi	[illegible]	[illegible]	0720778[illegible]	
14	Martin Okwatta	Finance	Dy. Supply Chain Management	0722810037	
15	CAROLYNE OMONDI	FINANCE	PRINCIPAL ACCOUNTANT	0722985846	
16	CHARLES SISO	AGRICULTURE	CHIEF OFFICER	0720757883	

	NAME	DEPARTMENT	DESIGNATION	CONTACT	SIGNATURE
17	Michael Otinda	Health	Accountant	0722428248	MOtiela.

Annex 3: Pending Bills Analysis

This annex is too large. Consult Governor's Office.

Annex 4: Own Source Revenue Projection for FY 2021/22

Revenue Stream	Estimates 2021/2022
SINGLE BUSINESS PERMIT	40,026,420
MARKET FEES	35,000,000
BODA-BODA	2,025,000
WEIGHTS AND MEASURES	1,000,000
TRADE INCOME (AUDIT FEE)	749,250
ADVERTISEMENT CHARGES	5,000,000
LIQUOR CHARGES	9,000,000
BUS PARK/PARKING FEES	20,000,000
GRADER	2,200,000
FIRE INSPECTIONS FEES	100,000
PLAN APPROVAL(Engineers)	10,000,000
PARKING FEES	5,000,000
COUNTY HALL HIRE	140,000
FISH CESS	7,500,000
SLAUGHTER FEES	473,200
AGRICULTURAL INCOME	5,380,290
SUGAR CESS	3,000,000
VETERENARY SERVICES	2,395,235
TRACTOR HIRE SERVICE (THS)	2,500,000
CATTLE AUCTION	3,500,000
PLAN APPROVALS (Physical Planning)	10,000,000
TRANSFER FEES	600,000
PLOT RATES	10,000,000
PLOT RENTS	9,155,575
GROUND RENTS	1,000,000
HOUSE RENT	1,600,000
KIOSKS/STALLS RENT	11,025,075
BURIAL FEES/SYNAGE	100,000
SAND CESS/QUARRY	500,000
CLEARANCE CERTIFICATE	500,000
SITE FEES	1,303,000
SURVEY FEE	1,500,000
PRIVATE ESTATE FEES	30,000
FIF	126,607,445
PUBLIC HEALTH	2,160,909
PUBLIC HEALTH-Plan approvals	3,000,000
LINDA MAMA	60,578,536
NHIF/CAPITATION	50,158,116
NEMA	200,000
IMPOUNDING FEES	100,000
SCHOOL FEES	337,500
SUB-TOTAL-LOCAL REVENUE (OSR)-A	**445,445,551**
EQUITABLE SHARE-B	**6,966,507,531**
KDSP-Level 2 grant	112,815,048
LEASE OF MEDICAL EQUIPMENT	153,297,872
Transforming Health Systems for Universal Health Care (THS)	76,115,752
Kenya Climate Smart Agriculture Project (KCSAP)	314,639,880
DANIDA	12,832,875
Agricultural Sector Development Support Project (ASDSP)	23,749,120
SUB-TOTAL-CONDITIONAL GRANTS-C	**693,450,547**
BF from FY 2020/21-D	**2,051,854,088**
TOTAL REVENUE FOR FY 2021/2022=(A+B+C+D)	**10,157,257,717**

SOURCE BUDGET ESTIMATES FY 2021/22

Annex 5: Action Points for Health

POINTS FOR IMMEDIATE ACTION IN HEALTH

INTERVENTION AREA	OBJECTIVE	ACTION
Right to health	• To promote and protect the constitutional and fundamental rights of common people • To support Implementation of UHC • To promote multi-sector planning for health • To improve public confidence in service delivery	• Align key decisions and performance with AAAQ framework. • Establish Clinical accountability in level 4 hospitals to monitor patient safety. • Professional ethics committee with clear TOR • Documented Commitment to a minimum of 30 % county budget to health • Develop a list of minimum essential services. • Implement Citizens service charter • Hold structured bi-annual stakeholder forum to promote accountability
Organization Structure	• To provide stability for the implementation of strategic priorities • To position CHS and PHN as Impact level service driver	Amend Siaya Health Services Act to accommodate proposed changes (structure and FIF sharing)
Service Organization	• To align development with strategic needs and established standards • To mainstream private actors in the provision of public health services in compliance with AAAQ • To provide coordinated strategic growth of level 4 hospitals	• Stoppage of construction for new PHC Facilities • Explore involvement of Private actors in provision of Lab services (43 identified PHC) • Establish a unique Multi-Facility Committee to oversight all Level 4 services
Health Financing	• To raise the required resources for health and health care • To ensure social risk protection and sustainable health expenditure • Making better use of resources.	• Provide Capacity and Incentive to PHC Facilities to claim Linda Mama 100% • Develop Revenue mobilization strategy • Mainstream Innovative Financing Mechanisms and involvement of Private actors in Health Financing

Leadership and Governance	To provide strategic direction, ensure accountability and good management practice	• Ensure existing machines such as the Endoscopic Tower currently lying idle are commissioned by the governor and ready to provide routine services at SCRH
Commodities and Technologies	To support the delivery of services by ensuring access to quality products in line with right to health commitment	• Establish and resource Health Products Unit (HPU) and MTC • Make a list of minimum essential medicines in line with minimum essential services • Deploy appropriate applications within HMIS to monitor and prevent moral hazard, provider discretion and, supply chain inefficiency • Stop public flagging off of medicines for distribution
Health Information	To support Operations excellence, decision support and, accountability for better health outcomes and impact	• Deploy integrated digital platform
Emergency Services	To enable efficient and effective response to emergencies and disasters	• Establish a modern Emergency Operations centre (EOC)