



COUNCIL OF GOVERNORS

17th September, 2020

PRESS STATEMENT ON THE SHUTDOWN OF COUNTY GOVERNMENTS

As you are aware the first quarter of the Financial Year 2020/21 is almost coming to an end.

Regrettably, County Governments are yet to receive their Equitable share of revenue and the concerned institutions including the National Treasury; the Controller of Budget; the Attorney General; the Senate and National Assembly have not authorized release of our funds. Instead, they have advanced a myriad excuses which defeat the constitutional intent of transferring the equitable share of revenue without delays.

Interestingly, every institution or organ has been quick to pass the buck in this disastrous dereliction of duty.

We have engaged each institution over the last few months and have held numerous meetings including Summit meetings with the Head of State. While the institutions feign good faith, they have completely failed in resolving the impasse.

Meanwhile the Counties are faced with a resource crunch in the middle of a global health pandemic and are now forced to shut down non - essential services for lack of funds. It is demoralizing to have employees report to duty and offer services to mwananchi without pay for more than three months.

Despite clarity of the Law as provided for in the PFM regulations and the Supreme Court Advisory reference No. 3 of 2019, that allows withdrawals of 50 per cent of the County equitable share of revenue of the previous Financial Year allocation, the Controller of Budget and National Treasury have failed to authorize and facilitate disbursements of funds to counties.


We would like to clarify that all taxes collected are ordinary shareable revenues and are deposited in the consolidated fund for sharing between the two levels of Government. The National Government collects income tax, value added tax and customs duties amongst other taxes from Kenyans.

In the wake of COVID-19 pandemic, the County Governments were however requested not to collect all the taxes as required by the law in view of the effects of the pandemic on the economy. As a result, the Counties have not been operating optimally. This means that, whatever is collected by the Counties is unable to sustain their operations.

The Counties are faced with a crisis that is not of their making and we believe those institutions causing the crisis and those that would have mitigated the damage must join us in Court to resolve the crisis.

Asante Sana

Signed

A handwritten signature in black ink, appearing to read 'Wycliffe Ambetsa Oparanya', written in a cursive style.

H.E. Hon. FCPA Wycliffe Ambetsa Oparanya, EGH, CGJ
Chairman, Council of Governors