

The Standard

Commission on Revenue Allocation to take over wasteful counties

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By Jackson Okoth

KENYA: The Commission on Revenue Allocation ([CRA](#)) has warned that it will take over operations of county governments that are not financially disciplined.

Other measures, it said, include taking legal action against accounting officers found culpable.

This comes after a report released by the [CRA](#) recently showed that 25 counties had drawn up budgets with huge deficits.

“We are asking those running these deficits to balance those budgets and learn to live within their means. For a county to have a deficit of Sh10 billion is inexcusable and a recipe for financial crisis,” said [Micah Cheserem](#), chairman of [CRA](#).

He made the remarks yesterday during the signing of a memorandum of understanding between [CRA](#) Kenya and its equivalent in South Africa known as the [Financial and Fiscal Commission](#) (FFC).

The agreement will enable both institutions to share knowledge and experience on matters of devolution, including inter-governmental fiscal relations, human capital development, skills transfer and exchange.

Case study

While Kenya is faced with devolution teething problems, it can take solace from the South African experience.

“We have taken three provinces and 40 municipalities under our administration after they failed to comply with spending procedures and live within their fiscal means,” said Bongani Khumalo, FFC acting chairperson.

He said accounting officers at the county level must be held accountable for their actions otherwise bad behaviour in the way public resources is used would be institutionalised, making it difficult to correct mistakes made.

It has taken the South African Government six years to streamline budgets for its nine provinces and 278 municipal administrations.

“It is not an overnight process and could take some time before Kenya’s devolution begins to work,” said Khumalo.

Financial crisis

Kenya’s county governments are being pushed to revise their budgets to avert a financial crisis at a time when there is a tussle between the National Assembly and the Senate over the Division of Revenue Bill.

“While ongoing public debates on devolution are healthy, attempts by governors and county assembly members to enrich themselves is worrying indeed,” said Mr Cheserem.

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