

COUNTY GOVERNMENT OF BUNGOMA



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COUNTY ASSEMBLY OF BUNGOMA
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COUNTY ASSEMBLY OF BUNGOMA

THIRD ASSEMBLY, SECOND SESSION

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
TABLED
By...Hon. Henry Nyongesa

**REPORT BY THE COMMITTEE ON LABOUR RELATIONS, MEMBER
SERVICE AND FACILITIES**

ON

**THE 4TH QUARTER FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 30TH JUNE 2023,**

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
22 FEB 2024
NOTICE ISSUED
By...Hon. Henry Nyongesa

**IN RESPECT TO THE COUNTY PUBLIC SERVICE BOARD AND THE
COUNTY ASSEMBLY SERVICE BOARD**

**Clerk's Chambers
County Assembly Buildings
PO BOX 1886,
BUNGOMA, KENYA**

NOVEMBER, 2023

Table of Contents

CHAPTER ONE.....	3
1.1 Preamble	3
1.2 Committee Mandate	3
1.3 Committee Membership	4
1.4 Guiding principles in the Examination of the Bungoma County Government Quarterly Reports and Financial statements.....	5
1. Constitutional Principles on Public Finance	5
2. Direct Personal Liability	5
3. Obligations of Accounting Officers	5
1.5 Acknowledgment	6
2 CHAPTER TWO	7
2.1 KEY HIGHLIGHTS ON THE 4 TH QUARTER FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2022/2023.....	7
2.1.1 THE COUNTY PUBLIC SERVICE BOARD	7
2.1.2 THE COUNTY ASSEMBLY SERVICE BOARD.....	9
3 CHAPTER THREE	12
3.1 GENERAL COMMITTEE OBSERVATIONS AND RECOMMENDATIONS.....	12
3.1.1 Committee General Observations.....	12
3.1.2 Committee Recommendations	13
Annexures	14

CHAPTER ONE

1.1 Preamble

Mr. Speaker,

It is my duty to present the report by the Committee on Labour Relations, Members Service and Facilities on the County Assembly Service Board and County Public Service Board 4th Quarter Financial Statements for the Financial Year 2022/2023 for the period ended 30th June, 2023. The 4th Quarter Financial Statements was tabled in this County Assembly of Bungoma and stood committed to all Sectoral Committees for their interrogation, input and recommendation through a report to this Honorable House.

1.2 Committee Mandate

Mr. Speaker,

The Sectoral Committee on Labour Relations, Members Service and Facilities is constituted pursuant to the provisions of Standing Order 217 of the County Assembly of Bungoma and has executed its mandate in accordance with number (5) of the aforementioned Standing Order that provides:

- (a) investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments;*
- (b) study the programme and policy objectives of departments and the effectiveness of the implementation;*
- (c) study and review all county legislation referred to it;*
- (d) study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;*
- (e) investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly;*
- (f) to vet and report on all appointments where the Constitution or any law requires the County Assembly to approve, except those under Standing Order 208 (Committee on Appointments); and*

(g) Make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

1.3 Committee Membership

Mr. Speaker,

The following are the Members of the Committee on Labour Relations, Members Service and Facilities Committee:

1. Hon. Hentry Nyongesa	Chairperson
2. Hon. Catherine Kituyi	Vice Chairperson
3. Hon. Anthony Lusenaka	Member
4. Hon. Joan Kirong	Member
5. Hon. Milliah Masungo	Member
6. Hon. Everton Nganga	Member
7. Hon. Charles Nangulu	Member
8. Hon. Jerusa Aleu	Member
9. Hon. Linda Kharakha	Member
10. Hon. Polycarp Kimeta	Member
11. Hon. Metrine Wilson	Member
12. Hon. Everlyne Anyango	Member
13. Hon. Alice Kibaba	Member
14. Hon. Brigid Katasi	Member
15. Hon. Caleb Wanjala	Member

1.4 Guiding principles in the Examination of the Bungoma County Government Quarterly Reports and Financial statements.

Mr. Speaker,

In the execution of its mandate, the Committee on Labour Relations, Members Service and Facilities is given a legal backing under the Constitution of Kenya 2010, Public Finance Management Act, 2012, County Governments Act, 2012. These statutory provisions include:

1. Constitutional Principles on Public Finance

Article 201 of the Constitution of Kenya, 2010 enacts fundamental principles that ***“...shall guide all aspects of public finance in the Republic...”*** These principles include, *inter alia*, that: **201(a)** *There shall be openness and accountability, including public participation in financial matters;* **201(d)** *Public money shall be used in a prudent and responsible way;* and **201(e)** *Financial management shall be responsible, and fiscal reporting shall be clear.*

Section 149(1) (a) and (b) of the PFM Act 2012 provides as follow...*“an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is;*

- a) Lawful and authorized*
- b) Effective, efficient, economical and transparent*

2. Direct Personal Liability

Article 226(5) of the Constitution of Kenya, 2010 is emphatic that *“If the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not”*.

3. Obligations of Accounting Officers

The Public Finance Management Act, 2012 section 166 states as follows;

- 1. An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.*
- 2. In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report—*
 - (a) contains information on the financial and nonfinancial performance of the*

entity; and

(b) is in a form determined by the Accounting Standards Board.

3. Not later, than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.

4. Not later than one month after the end of each quarter, the County Treasury shall—

(a) consolidate the quarterly reports and submit them to the county assembly;

(b) deliver copies to the Controller of Budget, National Treasury and the

Commission on Revenue Allocation; and

(c) publish and publicize them

1.5 Acknowledgment

Mr. Speaker,

I take this opportunity to thank all the members of the Committee for dedicating their time to examine the County Assembly Service Board and County Public Service Board 4th Quarter Financial Statements for the Finance Year 2022/2023, for the period ended 30th June 2023. The Committee would also like to appreciate the Secretariat commitment. Lastly, the Committee is grateful to your office and the office of the Clerk of the County Assembly of Bungoma for logistical support received as it discharged its mandate.

It is therefore my privilege, on behalf of the Committee on Labour Relations, Members Service and Facilities, to table the Report on the 4th Quarter Financial Statements of the County Assembly Service Board and County Public Service Board for Bungoma County for Financial Year 2022/2023.

Signed..........Date..........

Hon. Hentry Nyongesa

MCA. Bumula Ward.

Chairperson, Committee on Labour Relations, Members Service and Facilities.

2 CHAPTER TWO

2.1 KEY HIGHLIGHTS ON THE 4TH QUARTER FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2022/2023.

Mr. Speaker,

The county targeted revenue projection for the financial year 2022/23 was **Kshs. 14, 824, 738, 618** as per the approved 2nd supplementary budget. Below is the breakdown of the sources of revenue;

No.	Source	Amount
1	Equitable share	10,659,435,192.00
2	Equitable share b/f	867,288,525.00
3	Retention	293,425,903.00
4	Conditional grant Development partner	1,543,977,937
5	Conditional grants National	113,228,200.00
6	Local revenue as per act	500,000,000.00
7	AIA	847,382,860.00
	Grand Total	14,824,738,616

2.1.1 THE COUNTY PUBLIC SERVICE BOARD

The County Public Service Board operated on a recurrent budget of 54,046,205 and a total development budget of Kshs. 10,000,000.

2.1.1.1 REVENUE

Mr. Speaker,

The Board does not collect any revenue and AIA. A total of Ksh 45,587,411 was realized as exchequer based on the requests the Board had submitted. From the amounts received, 42,182,040 towards recurrent and Kshs. 3,405,371 was towards development.

2.1.1.2 EXPENDITURE

Mr. Speaker,

Kshs. 6,713,128 was spent on staff salaries which represents 96% of the allocation towards the same.

2.1.1.3 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Mr. Speaker,

During the period under review, the Board anticipated only one project- Construction of the Office Block at a provisional figure of Ksh. 10,000,000. Out of the Budgeted amount, Kshs. 3,405,371 was paid to the Consultancy firm contracted to engage in developing BQs and building plans for the office in the year 2015.

Allocation of land has been an issue but currently, CECM Lands has awarded space next to the Labour Office and the contractor is set to begin works.

2.1.1.4 ACCOUNTS PAYABLE

Mr Speaker,

At the beginning of the FY 2022/23, A total of Kshs. 9,049,181 was due to the suppliers. As at 30th June 2023, the Board had paid a total of 8,149,181 had been paid leaving a balance of Kshs. 900,000 only owed to Joventure Hotel Kisumu. The amount has since been declared and shall be considered in the current Financial Year.

Supplier of credit vote had an allocation of Kshs. 6,603,181 on recurrent out of which Kshs. 2,623,600 recurrent pending bills was paid.

Development pending bill pay out was done on the allocation for construction of administration block to pay BQs and Plans for the administration block presenting misapplication of funds.

2.1.1.5 ACCOUNTS RECEIVABLE.

The Board had outstanding imprests totalling to Kshs. 5,357,395 as at the 30th June 2023. The County Public Service Board had cleared and had no unsurrendered imprests to report on as at the time of interrogation.

2.1.2 THE COUNTY ASSEMBLY SERVICE BOARD.

2.1.2.1 REVENUE

The county Assembly relies on exchequer release as source of revenue. In the year under review, it had a total budget of ksh.1, 294,353,579 comprising of development ksh.106, 793,185 and recurrent ksh.1, 187,560,394. The transfers from exchequer amounted to 1,256,268,326 representing 97% release i.e. Ksh.1, 187,556,988 for recurrent representing a near 100% release while development ksh.68,711,338 representing 64% release.

2.1.2.2 EXPENDITURE

The Assembly had an annual Expenditure of Kshs. 1,245,449,346 which relates to 96% absorption comprising of Kshs.1, 176,738,008 recurrent expenditure and Kshs. 68,711,338 for Development expenditure.

Recurrent Expenditure Analysis

The total recurrent expenditure of Kshs. 1,176,738,008 as detailed below:

- Compensation of employees amounted to Kshs. 389,221,180.
- The use of goods and services absorbed Ksh. 421,802,189 and it included:
 - Utilities supplies and services Ksh. 1,774,335 Communication supplies and services Ksh. 1,920,647

- Domestic travel and subsistence, and other transportation costs approved allocation of ksh.219,159,701.
 - Foreign travel and subsistence Ksh 6,299,520
 - Printing, advertising and information supplies of Ksh. 7,670,030
 - Training expenses of Ksh. 18,749,119
 - Hospitality supplies and services of Ksh. 45,733,639
 - Insurance costs Ksh. 37,335,658
 - Specialized materials and supplies (purchase of uniforms and staff clothing) of Ksh. 1,840,172
 - Office and general supplies and services ksh.6,817,328
 - Fuel oil and lubricants Ksh. 2,569,300
 - Other operating expenses (Contracted guards, cleaning services, legal dues, membership fees, management fees, contracted professional services and ward offices expenses ksh.67,106,781
 - Routine maintenance- vehicles/motor cycle Ksh. 3,974,106
 - Routine maintenance of other assets ksh.851,854
- Acquisition of Assets Kshs 44,542,466 and it entailed:
 - Purchase of vehicles Kshs. 12,780,000
 - Purchase of Computer, printers and IT equipment Kshs. 10,206,056
 - Purchase of office furniture Kshs. 15,804,600.
 - Research studies, project preparation, Design and supervision Kshs. 5,751,810

Transfers to other Government Entities ksh.301, 135,214 represent:

- County Assembly MCAs Car loans and mortgage scheme Ksh.163,000,000
- County Assembly employee car loan & mortgage Scheme Kshs. 99,000,000
- Ward offices operations Kshs. 28,105,431
- KRA Kshs. 11,029,783

Social Security Benefits Ksh. 20,036,959 as broken down below:

- Gratuity ward staff offices partisan staff Kshs. 5,787,900
- Gratuity members of County Assemblies Kshs. 14,249,059

2.1.2.3 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Mr. Speaker,

Acquisition of Assets amounted to represented as Ksh 68, 711,338 representing 64% absorption

County Assembly had an approved budget of Kshs. 106,793,185 for development It was expended as follows;

- New administration block Ksh 62,451,513
- Pending bills for teammate audit system Kshs. 3,550,41857.
- Hansard system Ksh 2,709,406.30

2.1.2.4 ACCOUNTS PAYABLE

Mr Speaker,

Accounts receivables (outstanding Imprests) across all departments amounted to Kshs. 13,788,064 compared to Kshs. 2,970,000 same period in the previous FY. Legislative services department has the highest outstanding imprests at Kshs. 3,768,500 followed by Committee Services department at Ksh. 3,018,200. The department with least outstanding imprests is Administration at Ksh. 40,000. As at the time of interrogation, the departments had cleared all the imprests.

3 CHAPTER THREE

3.1 GENERAL COMMITTEE OBSERVATIONS AND RECOMMENDATIONS.

3.1.1 Committee General Observations.

Mr. Speaker,

The Committee made the following observations.

1. The County Public Service Board has had Land allocated to it and is set to begin construction of the office block.
2. The County Public Service Board had a total pending bill of Kshs. 900,000 as at 30th June 2023.
3. Under development expenditure, the County Public Service Board spent Kshs. 3,405,371 on coming up with the BQs for the Administration Block dating back to the year 2015.
4. The two Boards had no unsurrendered imprests to report on.

3.1.2 Committee Recommendations

Mr. Speaker,

The following recommendations were made by the Committee:

1. **That**, the County Public Service Board should declare and prioritize the payment of pending bills when preparing proposed budget estimates to avoid unnecessary litigation and accumulation.
2. **That**, the County Public Service Board should see to it that the construction of the Administration Block on the land allotted to them by the County Government before the lapse of the Financial Year.
3. **That**, County treasury should ensure the correctness of the financial statements by consulting the user departments.

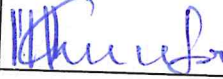






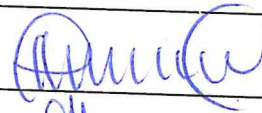



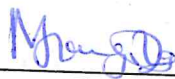
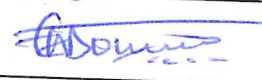

4. **That**, Imprests should be managed according to the Public Finance Management laws that states:

PFM reg, 93(5) A holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station.

5. **That**, the approved budgets should be implemented pursuant to PFMA 149 (1).
*(1) An accounting officer is accountable to the county assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is—(a) lawful and authorized; and
(b) effective, efficient, economical and transparent.*

ADOPTION SCHEDULE

We the undersigned Members affix our signatures adopting this report with the contents therein

	MEMBERS NAME	DESIGNATION	SIGN
1.	Hon. Hentry Nyongesa	Chairperson	
2.	Hon. Catherine Kituyi	Vice Chairperson	
3.	Hon. Caleb Wanjala	Member	
4.	Hon. Anthony Lusenaka	Member	
5.	Hon. Joan Kirong	Member	
6.	Hon. Milliah Masungu	Member	
7.	Hon. Everton Nganga	Member	
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12.	Hon. Metrine Wilson	Member	
13.	Hon. Everlyne Anyango	Member	
14.	Hon. Alice Kibaba	Member	
15.	Hon. Brigid Katasi	Member	