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COUNTY GOVERNMENT OF BUNGOMA



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(LPCS)
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Hon. M. M. M. M. M.

COUNTY ASSEMBLY OF BUNGOMA

THIRD ASSEMBLY, SECOND SESSION FEB 2024

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
NOTICE ISSUED
By: *[Signature]*

**TOURISM, ENVIRONMENT, WATER AND NATURAL RESOURCES
COMMITTEE REPORT**

ON

**THE BUNGOMA COUNTY GOVERNMENT FOURTH QUARTER
FINANCIAL STATEMENTS FOR THE PERIOD ENDING 30TH
JUNE, 2023**

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

November, 2023

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CHAPTER ONE

PREAMBLE

Mr. Speaker Sir, it is my duty to present the report by the Committee on Tourism, Water, Environment and Natural Resources on the Bungoma County Government Fourth Quarter Financial Statements for the Period ended 31st June, 2023 in respect to the department of Tourism, Water, Environment and Natural Resources. The document was tabled in this House .On 26th October, 2023 and was committed to all Sectoral Committee for their interrogation, input and recommendation through a report to this Honorable House.

1.1 The Mandate of the Committee

Mr. Speaker Sir,

The Committee on Tourism, Water, Environment and Natural Resources is a Select Committee established pursuant to the provisions of Standing Order No. 217 of the County Assembly of Bungoma and executes its mandate in accordance with Standing order 217(5) read together with the second schedule of the same Standing Orders.

Standing Order 217(5) states that;

“5. The function of a Sectoral Committee shall be to;

- a) Investigate, inquire and report all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments.

- b) Study the program 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 185(Committee on Appointments); and
- g) make reports and recommendations to the County Assembly as often as possible, including recommendations of proposed legislation.”

While the Second Schedules of the Standing Orders specifies that the Committee on Tourism, Water, Environment and Natural Resources should consider all matters related to Local Tourism, County parks Water Environment, and Natural including implementation of specific national government policies on natural resources and environmental conservation, including soil and water conservation, refuse removal, refuse dumps, solid waste management and enforcement of solid waste management policies, standards, regulations, forestry, control of air pollution, noise pollution, other public nuisance and outdoor advertising.

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*


1.4 Acknowledgment

Mr. Speaker Sir, may I take this opportunity to thank the office of the Speaker and Clerk for giving the Committee logistical support that made this exercise a success.

I also appreciate the Honorable members and the secretariat of the Committee on Tourism, Environment Water and Natural Resource for carefully examining the 4th Quarter Financial Statements FY 2022/23 for period ending 30th June, 2023.

Further, this Committee extends its gratitude to the Executive Arm of the County Government, Department of Tourism, Water, Environment and Natural Resources for honoring the invitation to appear before the Committee for the interrogation and offering explanations and supporting documents as requested by the Committee.

Mr. Speaker Sir, it is therefore my privilege, on behalf of this Committee to table the Report on 4th Quarter Financial Statements Financial FY 2022/23 for the period ending 30th June, 2023 in respect to the department of Tourism, Environment Water and Natural Resource

Signed  Date..... 13/02/2024

**HON. EDWIN OPWORA – MCA LUUYA BWAKE WARD
CHAIRPERSON, TOURISM, ENVIRONMENT, WATER AND
NATURAL COMMITTEE**

CHAPTER TWO

KEY HIGHLIGHTS ON THE BUNGOMA COUNTY FOURTH QUARTER REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDING 30TH JUNE, 2023

Mr. Speaker Sir.

The total budget of Bungoma County Government for the financial year under review was Kshs. 14,824,738,616. The amount was after approval of the Second Supplementary Budget FY 2022/23. The department Tourism and Environment was allocated Kshs. 436,927,087 where the recurrent vote had an allocation of Kshs. 295,041,980 and development vote had Kshs. 141,885,107 while the department of Water and Natural Resources had a total allocation of Kshs. 314,764,221 where Kshs. 83,308,234 was for recurrent expenditure and Kshs. 231,455, 987 for development expenditure.

2.1 Actual revenue received in the Fourth Quarter of the Financial Year 2022/23

In the financial year 2022/2023, the County had projected revenues of Kshs. 14,824,738,616 out of which Kshs. 665,486,021 is a projection for level 4 and 5 Hospitals, leaving a balance of Kshs. 14,159,252,597. The total actual amount received by the County was Kshs. 11,890,639,396 translating to 84% absorption rate and the deficit of Kshs. 2,268,613,201.

As at the 30th June, 2023, the department of Tourism and Environment had received Kshs. 254,466,205 (86%) for recurrent and Kshs. 13,297,064 (9%) for development with the approved allocation of Kshs. 295,885,980 and

2.2 COUNTY OWN GENERATED REVENUE

The report indicates that the County managed to collect Kshs. 379,716,358 cumulatively in all the 4 quarters from local generated revenue out of the targeted amount of Kshs. 500,000,000 translating to 76% hence a deficit of Kshs. 120,283,642.

The targeted Appropriation in Aid for FY 2022/23 was Kshs. 847,382,861 out of which Kshs. 775,882,124 was realized translating to 92% therefore, a deficit of Kshs. 71,500,737.

The department of Tourism, Environment, Water and Natural Resources had a targeted AIA of Kshs. 1,273,388 in the FY 2022/2023 out of which Kshs. 94,600 was realized translating to 7% but this was an improvement from the previous financial year where Kshs. 39,600 was realized.

2.3 CONDITIONAL GRANTS

In the FY 2022/23, the County had projected to receive total conditional grants of Kshs. 1,656,728,137 out of which Kshs. 1,543,977,937 was development partners while Kshs. 113,228,200 from National government. The department of Tourism, Environment, Water and Natural Resources received Kshs. 11,000,000 from the Financing Locally Led Climate Action (FLLOCA) in the Financial Year under review.

2.4 Departmental expenditure analysis

2.4.1 Personnel expenditure

Mr. Speaker Sir,

In FY 2022/23, the department of Tourism and Environment had an approved allocation of Kshs. 27,637,130 and as at the end of the financial year the department had utilized Kshs. 20,893,021 hence a balance of Kshs. 6,744,109. During interrogation, the CECM submitted that the funds were meant for employment of 15 environmental officers which did not take place and the funds were used to pay for the pending bill for garbage collection. In the 4th Quarter, the department received Kshs. 5,172,345 for personnel.

The department of Water and Natural Resources had an approved personnel budget of Kshs. 37,099,024 and they utilized Kshs. 36,063,940 hence a balance of Kshs. 1,035,084. During the interrogation, CECM explained that the funds were meant for the employment of director water which did not take place. In the 4th Quarter, the department received Kshs. 7,071,695 for personnel.

2. 4.2 Operation and maintenance

Mr. Speaker Sir,

In the FY 2022/2023, the department of Tourism and Environment had an approved budget of Kshs. 18,527,744 for operation and maintenance and as at 30th June, 2023, it had utilized Kshs. 15,215,380 translating to 82% absorption rate. While the department of Water and Natural Resources had

an approved total operation and maintenance of Kshs. 46,209,210 out of which Kshs. 42,207, 047 was utilized hence an absorption rate of 91%.

The following programs were implemented in the financial year under review;

Tourism and Environment department

Program	Approved allocation	Actual Expenditure	Absorption rate %
Utilities and supplies services	278,400	-	0%
Communication Supplies and Services	368,000	136,600	37
Domestic Travel and Subsistence, and Other Transportation Costs	7,080,106	6,525,863	92
Foreign Travel and Subsistence, and other transportation costs	152,000	151,886	100
Printing, Advertising and Information Supplies and Services	1,221,142	760,348	62
Training Expenses	940,000	845,450	90
Hospitality Supplies and Services	3,133,589	2,777,949	89
Plant insurance	684,000	-	0
Office and General Supplies and Services	504,000	358,317	71
Refined fuel and lubricants	960,000	900,000	93
Professional Membership Fees	55,840	-	0

Supplier credit	1,030,667	916,667	89
Routine Maintenance - Other Assets	120,000	120,000	100
Routine Maintenance of motor vehicles	800,000	418,140	52
Prefeasibility, Feasibility and Appraisal Studies	800,000	795,160	99
Purchase of computers	400,000	395,000	99
Total recurrent	18,527,744	15,101,380	82

During interrogation, the CECM informed the Committee that in the FY 2022/23, the department carried out an activity on profiling tourism products in the county where Bungoma County Tourism products were profiled through technical staff feasibility surveys. The study included field visits to sites identified through community and stakeholder engagements or through Sub County explorations. He added that most of the products are privately owned.

Garbage collection

It had an approved allocation of Kshs. 225,877,107 and whole amount was spend. During interrogation the CECM informed the committee that the allocation was less by Kshs. 5.7m that was sourced from the personnel allocation.

The list of 64 markets where garbage is collected was submitted.

Climate Change grant

Climate change grant had recurrent co-funding of Kshs. 23,000,000 that is Kshs. 12 million from the County Government and Kshs. 11 million from

On the feasibility study with an allocation of Kshs. 15,289,742, the CECM explained that funds were primarily used for various activities related to KOICA (Korea International Cooperation Agency), specifically for KOICA Phase II and the proposed KOICA Phase 3 that is intended to cover Kaptama, Kamkuywa, Tongaren and Webuye. Here is a list of the activities undertaken:

1. **Purchase of 3 Parcels of Land:** The funds were allocated for the acquisition of three parcels of land at Kabukwo, Chewangoi, and Kiptunguywo. These parcels of land are essential for storage tanks development or other project-related purposes.
2. **Supervision of Phase 2 Water Project:** This activity involves overseeing and managing the implementation of the KOICA Phase II water project to ensure it progresses according to plan and meets the desired objectives.
3. **Survey of Distribution Lines for KOICA 2:** A survey of distribution lines is crucial for ensuring efficient and effective distribution of water resources as part of KOICA Phase II.
4. **Development of KOICA 3 Proposal and Project Concept Paper:** This involves the ongoing oversight and management of KOICA Phase III, which involved Preliminary Survey, Pre-feasibility Study, and Development of KOICA Phase 3 Project Concept Paper for KOICA Phase 3 in the specified areas of Kaptama, Kamkuywa, Tongaren, and Webuye.

In addition, he informed the committee that the Project Concept Paper (PCP) for KOICA Phase 3 has been approved, and Korean experts were to visiting Bungoma from November 9th, 2023, for a preliminary project survey. The visit is a significant step in the planning and implementation of KOICA Phase 3, demonstrating the commitment to further development and cooperation in the region.

2.4.3 DEVELOPMENT EXPENDITURE

The department of Tourism and Environment had development allocation of Kshs. 141,885,107 out of which Kshs. 13,297,064 was utilized on the follows;

PROGRAM	Description	Approved allocation	Actual Expenditure	Absorption rate
Supplier credit	Proposed erection and completion of main gate, sentry, reserve Offices, Tourist view point and campsite for Mt. Elgon forest reserve in Bungoma County	4,034,402	2,079,114	51%
Climate change Grant	Co-funding	125,000,000	0	0%
Other infrastructure	Proposed construction of	12,850,705	11,217,950	87%

and civil works – dumpsite	perimeter fence and office at dumpsite (Phase II) in Bungoma County			
Total development		141,885,107	13,297,064	9%

On other infrastructure and civil works, Kshs. 12,850,705 was meant for dumpsite management but it was used to pay for construction of perimeter fence and office at the dumpsite.

The department of Water and Natural Resources had development allocation of Kshs. 231,455,987 and at the end of the financial year, Kshs. 226,906,658 had been utilized translating to an absorption rate of 98% on the following programme;

Program	Approved allocation	Actual expenditure	Absorption rate
Purchase of workshop tools, spares and small equipment's (drilling tools and accessories, borehole casing)	17,550,000	17,471,444	100%
Other infrastructure and Civil works	150,521,480	148,429,315	99%

(CEF projects)			
Supplier credit- Ward Based	10,144,085	10,116,557	100%
Supplier credit	38,240,422	36,855,485	96%
Other infrastructure and Civil works (KOICA2)	15,000,000	14,000,000	93%
Total development	231,455,987	226,906,658	98%

During interrogation, the department submitted specific projects implemented under every programme.

2.5 Pending staff receivables (outstanding imprest)

The total County outstanding imprest as at 30th June, 2023 was Kshs. 288, 712,420 out of Kshs. 6,606,500 was in respect to the department of Tourism and Environment and Kshs. 6,341,855 for Water and Natural Resources. The departments did not submit evidence for surrender of the imprests.

2.6 Pending accounts payables (pending bills)

The CECM submitted that as at 30th June, 2023, the department of Tourism, Environment, Water and Natural Resources had total pending bills and commitment of Kshs. 274,082,164 where Kshs. 244,484,307 was for Water and Natural Resources and Kshs. 29,597,857 for Tourism and

Environment. The pending bills are from FY 2015/16 to FY 2022/2023 as summarized below;

WATER AND NATURAL RESOURCES

	FY	AMOUNT OF PENDING BILLS
1	2015/16	12,360,242
2	2017/18	14,382,430
3	2019/20	3,568,818.40
4	2020/21	54,222,973.40
5	2021/22	50,510,011
6	2022/23	62,342,329.62
7	Projects to be retendered	47,484,307
		244,484,307

TOURISM AND ENVIRONMENT

	FY	AMOUNT OF PENDING BILLS
1	2020/21	29,597,857

GRANT TOTAL KSHS. 274,082,164

CHAPTER THREE

COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

3.1 Committee observation

The Committee observed the following:




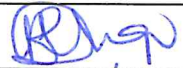

1. The department of Tourism, Environment, Water and Natural Resources had a targeted AIA of Kshs. 1,273,388 in the FY 2022/2023 out of which Kshs. 94,600 was realized translating to 7% but this was an improvement from the previous financial year where Kshs. 39,600 was realized.
2. The department of Tourism and Environment had an approved allocation of Kshs. 27,637,130 on personnel emolument and as at 30th June, 2023, the department had utilized Kshs. 20,893,021 hence a balance of Kshs. 6,744,109 that was used to pay for the pending bill on garbage collection which was against the PFM Act.
3. In the FY 2022/23, the Climate Change grant was not released.
4. The department of Water and Natural Resources had an absorption rate of 98% of its development allocation as at 30th June, 2023 yet in the same period, its pending bill is Kshs. 62,342,329. This implies that funds were spend on projects not intended for contravening provisions of **Section 196 (1) PFM Act, 2012 and Section 109 (1) of the County Government Act.**

104 (1) of County Government Act by spending funds on programs and projects as approved in the budget estimates.

5. **THAT** the department should ensure compliance with **Regulation 93(5 and 6 of PFM Regulation, 2015)** on surrendering imprest and also enhance imprest management system. A holder of a temporary imprest shall account or surrender the imprest within seven working days after returning to duty station.
6. **THAT** the departments should prioritize pending bills, since it is provided in law that pending bills **MUST** be given first charge. Section 94 (i) of the (PFM) Act,2012 *states that failure to make any payments as and when they fall due by the public entity may be an indicator of material breach of measures established under law. To ensure pending bills are paid in time, Article 225 of the Constitution and section 96 of the PFM Act give the treasury powers to stop transfer of funds to the concerned public entity.*

ADOPTION SCHEDULE

We the undersigned members of the committee on Tourism, Environment, Water and Natural Resources affix our signatures adopting this report with the contents therein.

	MEMBERS NAME	DESIGNATION	SIGN
1	Hon. Edwin Opwora	Chairperson	
2	Hon. Martin Cheseto	Vice Chairperson	
3	Hon. Anthony Lusenaka	Member	
4	Hon. Aggrey Mulongo	Member	
5	Hon. Vitalis Wangila	Member	
6	Hon. Milliah Masungu	Member	
7	Hon. Joseph Nyongesa	Member	
8	Hon. James Mukhongo	Member	
9	Hon. Meshack Simiyu	Member	
10	Hon. Bernard Kikechi	Member	
11	Hon. Dorcus Ndasaba	Member	
12	Hon. Orize Kundu	Member	
13	Hon. Isaiah Busolo	Member	
14	Hon. George Tendet	Member	
15	Hon. Benjamin Otsiula	Member	

**MINUTES OF TOURISM, ENVIRONMENT, WATER AND NATURAL RESOURCES COMMITTEE
HELD ON 12th NOVEMBER, 2023 AT VICTORIA COMFORT IN HOTEL KISUMU**

MEMEBRES PRESENT

1. HON. EDWIN OPWORA	CHAIRPERSON
2. HON. MARTIN CHEMORION	VICE CHAIRPERSON
3. HON. JOSEPH JUMA	MEMBER
4. HON. ANTHONY LUSENEKA	MEMBER
5. HON. MESHACK SIMIYU	MEMBER
6. HON. MILIAH MASUNGO	MEMBER
7. HON. VITALIS WANGILA	MEMBER
8. HON. SUDI BUSOLO	MEMBER
9. HON. JAMES MUKHONGO	MEMBER
10. HON. AGGREY MULONGO	MEMBER
11. HON. ORIZE KUNDU	MEMBER
12. HON. BENARD KIKECHI	MEMBER
13. HON. GEORGE TENDET	MEMBER
14. HON. BENJAMIN OTSIULA	MEMBER
15. HON. NDASABA DORCAS	MEMBER

MEMBERS OF THE SECRETARIAT

1. KAREN WANYAMA	COMMITTEE CLERK
2. JOB TOILI	SAA
3. PRUDENCIA BARASA	HANSARD

Agenda

1. Preliminaries
 - (a) Prayer
 - (b) Adoption of the agenda
2. Communication from the Chair
3. Adoption of the 4th quarter report for period ended 30th June 2023.

MIN 1/12/11/2023 PRELIMINARIES

- ¶(a) Prayer. The meeting was called to order at 2.13 p.m. with a word of prayer by the Chair
- ¶(b) Adoption of the agenda. The agenda for deliberation was adopted on proposal by Hon Ndasaba Dorcas and seconded by Hon James Mukhongo

MIN 2/12/11/2023 COMMUNICATION FROM THE CHAIR. The Chair welcomed members to the meeting and asked them to be keen with the report that is going to be presented and ensure the observation and recommendation arrived reflected what the committee agreed on.

MIN 3/12/11/2023 ADOPTION OF THE 4TH QUARTER REPORT FOR PERIOD ENDED JUNE 30TH 2023.

The report was projected and members went through the body of the report with keen interest to the observations to confirm whether they correlate.

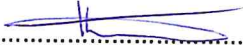
The Committee agreed to the observations and recommendations there in.

MIN 4/12/11/2023 ADJOURNMENT. There being no other business, the meeting ended at 3.15p.m. The Committee will reconvene on notice.

Confirmation

Chairman HON EDWIN OPWORA Signature 

Date 12TH NOV 2023

Secretary Karen Wanyama Signature 

Date 12/11/23