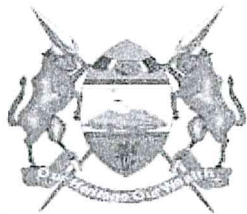


*Hon Speaker*  
*Approved for Tabling*  
*22/5/24*

RECORDS SECTION  
COUNTY ASSEMBLY OF BUNGOMA  
**22 MAY 2024**  
**RECEIVED**  
P O Box 1886 50200, BUNGOMA

COUNTY ASSEMBLY OF BUNGOMA  
(LPCS)  
**10 JUL 2024**  
**TABLED**  
By.....

COUNTY ASSEMBLY OF BUNGOMA  
(LPCS)  
**10 JUL 2024**  
**NOTICE ISSUED**  
By.....



**TABLED**  
**10 JUL 2024**  
(LPCS)  
COUNTY ASSEMBLY OF BUNGOMA

**COUNTY GOVERNMENT OF BUNGOMA**

**COUNTY ASSEMBLY OF BUNGOMA  
OFFICE OF THE CLERK**

**THIRD COUNTY ASSEMBLY - THIRD SESSION**

**SECTORAL COMMITTEE ON TOURISM, ENVIRONMENT,  
WATER AND NATURAL RESOURCES**

**REPORT ON THE BUNGOMA COUNTY GOVERNMENT  
CONSOLIDATED 1<sup>ST</sup> AND 2<sup>ND</sup> QUARTER FINANCIAL  
STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER,  
2023.**

Clerk's Chambers,  
County Assembly Buildings,  
P.O BOX 1886 – 50200,  
BUNGOMA, KENYA.

COUNTY ASSEMBLY OF BUNGOMA  
(LPCS)  
April, 2024  
**10 JUL 2024**  
**NOTICE ISSUED**  
By.....

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## **CHAPTER ONE**

### **1.1 Preamble**

**Hon. Speaker,** I do present the report by the Committee on Tourism, Environment, Water and Natural Resources for the 1<sup>st</sup> and 2<sup>nd</sup> quarter Financial Statements for the Financial Year 2023/2024 for period ended 31<sup>st</sup> December, 2023. The document was tabled in this County Assembly of Bungoma on 21<sup>st</sup> February, 2024 and stood committed to all Sectoral Committees for their interrogation, input and recommendations through a report to this Honorable House.

The Committee critically analyzed the report and had an engagement with the Department on 2<sup>nd</sup> April, 2024 who responded to members' areas of concern.

### **1.2 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.

### **1.3 Committee Membership**

**Mr. Speaker Sir**, the Committee on Tourism, Water, Environment and Natural Resources as currently constituted comprises the following Members:-

1.	Hon. Edwin	Opwora	Chairperson
2.	Hon. Martin	Chemorion	Vice Chairperson
3.	Hon. Joseph	Juma	Member
4.	Hon. Meshack	Simiyu	Member
5.	Hon. Anthony	Lusenaka	Member
6.	Hon. Vitalis	Wangila	Member
7.	Hon. Sudi	Busolo	Member
8.	Hon. James	Mukhongo	Member
9.	Hon. Benjamin	Otsiula	Member
10.	Hon. Aggrey	Mulongo	Member
11.	Hon. Miliiah	Masungu	Member
12.	Hon. Orize	Kundu	Member
13.	Hon. Benard	Kikechi	Member
14.	Hon. George	Kwemoi	Member
15.	Hon. Ndasaba	Dorcas	Member

### **1.3 Guiding principles in the Examination of the Bungoma County Government Quarterly Reports and Financial statements.**

**Mr. Speaker Sir**, Sections 163, 166 and 168 of the Public Finance Management Act, 2012 requires that, at the end of each Quarter, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

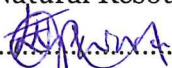
The CEC Member for Finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the period ended on December 31<sup>st</sup>, 2023. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the County Government;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances

#### **1.4 Acknowledgement**

**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 1<sup>st</sup> and 2<sup>nd</sup> Quarter Financial Statements FY 2023/24 for period ending 31<sup>st</sup> December, 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 1<sup>st</sup> and 2<sup>nd</sup> Quarter Financial Statements for the FY 2023/24 for the period ended 31<sup>st</sup> December, 2023 in respect to the Department of Tourism, Environment, Water and Natural Resources.

Signed .....  ..... Date..... 17/04/2024 .....

**HON. EDWIN OPWORA – MCA LUUYA BWAKE WARD**

**CHAIRPERSON, SECTORAL COMMITTEE ON TOURISM, ENVIRONMENT,  
WATER AND NATURAL RESOURCES**



## CHAPTER TWO

### **2.1 Key highlights on the Bungoma County 1<sup>st</sup> and 2<sup>nd</sup> quarter report and financial statements for the period ending 31<sup>st</sup> December, 2023**

**Mr. Speaker Sir.**

The County's approved 1<sup>st</sup> supplementary budget for the FY 2023/24 was Kshs. 15,470,095,611 comprising Kshs. 5,643,037,428 (36%) and Kshs. 9,827,0528,184 (64%) allocation for development and recurrent programmes, respectively.

The largest part of the budget is expected from exchequer issues contributing 73.6% of the requirement, local revenue 13% and other receipts including grants at 13.3%.

To finance the budget, the County expects to receive Kshs. 11,387,333,905 as the equitable share of revenue raised nationally, Kshs. 1,152,071,383 as Facility Improvement Fund (revenue from health facilities), Kshs. 1,753,680,635 as conditional grants from both government and development partners, Kshs. 158, 808,217 fund balances, generate Kshs. 868,201,471 as ordinary own-source revenue and Kshs. 150M from retention account. Kshs. 275, 350,297 was brought forward as opening balance as at July 1<sup>st</sup> 2023.

### **2.2 Departmental expenditure analysis**

**Mr. Speaker sir**, the Department of Tourism and Environment had an approved 1<sup>st</sup> supplementary budget of **Kshs. 585,876,307** comprising of Kshs. **376,376,842** recurrent and **Kshs. 212,399,464** for Development expenditure programmes.

The Department of Water and Natural resources had an approved 1<sup>st</sup> supplementary budget of **Kshs. 271,247,394** comprising of **Kshs. 61,605,249** recurrent and **Kshs. 209,642,145** for Development expenditure programmes.

### 2.2.1 Tourism and Environment

The absorption for the Department in the period under review was Kshs. 143,637,025 representing 25 %.

No.	Programme	Budget allocation	Expenditure	Balance	Absorption rate%
1.	Human resource management	31,136,359	10,647,702	20,488,657	34%
2.	Policy and legal framework	500,000	-	500,000	0%
3.	Planning and support services	4,720,000	3,252,449	1,467,551	69%
4.	Dumpsite management	2,000,000	-	2,000,000	0%
5.	Waste management and control	312,549,334	117,980,594	194,568,740	38%
6.	Climate change resilience investment grant	125,000,000		113,243,721	9%
7.	Climate change fund	80,000,000	-	80,000,000	0%
8.	Climate change institutional support grant	22,000,000	11,756,279	22,000,000	53%
9.	County Tourism	460,265	-	460,265	0%



	art and cultural festival				
10.	Infrastructure Development	7,399,464		7,399,464	0%
	<b>Total</b>	<b>585,876,306</b>	<b>143,637,025</b>	<b>442,239,281</b>	<b>25%</b>

### 2.2.2. Water and Natural resource

**Mr. Speaker Sir,** the absorption for the department in the period under review is Kshs.64, 823,470 representing 24%.

No.	Programme	Budget allocation	Expenditure	Balance	Absorption rate%
1.	Human resource management	38,151,374	15,144,378	23,006,996	39.7%
2.	Planning and support services	23,453,875	8,902,514	14,551,361	37.8%
2	Rig policy	-	-	-	-
3	Borehole development	8,810,745	-	8,810,745	0%
4	Project supervision	-	-	-	-
5	KOICA counterpart funding	20,000,000	-	20,000,000	0%
6	Ward based	180,831,400	40,776,578	140,054,822	23%

	projects				
	<b>Total</b>	<b>271,247,394</b>	<b>64,823,470</b>	<b>206,423,923</b>	<b>24%</b>

### 2.3 Department imprest.

The outstanding imprest for the Department was Kshs. 3,096,208 which comprised:

- i. Facilitation for pre-topographical survey Kshs. 988,980
- ii. Facilitation for KOICA and Monitoring Kshs. 990,150
- iii. Facilitation for counterpart funding for KOICA 3 project Kshs. 992,800
- iv. Facilitation for purchase of accountable documents Kshs. 124,278

### 2.4 Department pending bills.

The pending bills for the Department are Kshs. 5,462,529. It is broken down as below;

Construction of Buildings	Kshs. 0
Construction of civil works	Kshs. 4,873,286
Supply of goods	Kshs.0
Supply of services	Kshs. 625,243
<b>Total</b>	<b>Kshs. 5,462,529</b>

### 2.5 Department of water payments towards pending bills.

The Department of water made the following payments towards pending bills of **Kshs. 22,143,054**

- i. Upgrading of Kinugui primary borehole and drilling of one borehole at East Sang'alo Ward Kshs. 5,909,852.
- ii. Upgrading of Nakhwana primary borehole and drilling of Nambuchi borehole Kshs. 3,976,132.80

- iii. Construction and protection of 6 water springs in Misikhu Ward Kshs. 1,160,160
- iv. Construction of Maliki water project in Milima Ward Kshs. 6,749,526.
- v. Upgrading of Namirembe dispensary borehole in Bukembe West Ward Kshs. 3,581,280
- vi. Extension of Kapsogon-Chepchabai-Cheptonon water project in Kapkateny Ward Kshs. 766,103.60

## CHAPTER THREE

### 3.1 Committee observations and recommendations

#### 3.1.1 Observations

1. The Committee was unable to access the Department's monthly/annual work plans and detailed budget implementation report together for comparison with half year financial statements report for the year ending 31<sup>st</sup> December, 2023.
2. The Committee noted that most of the outstanding staff imprests were not surrendered as at 31<sup>st</sup> December, 2023.
3. The Department made a payment of **Kshs. 22,143,054** towards pending bills. However, a provision of **Kshs. 14,000,000** was the only amount approved in the 1<sup>st</sup> supplementary budget.
4. Members noted with concern the provision of Ksh. 7,859,729 for construction of perimeter wall at Muanda dumpsite phase 2 as an extension to a weak wall that was constructed in phase 1.
5. The Department has a pending bill of Kshs. 51,815,662.40 and only Kshs.14,000,000 was approved in the 1<sup>st</sup> supplementary budget.
6. The Department did not provide sufficient documentary evidence supporting expenditure even after being tasked to do so before the Committee retreats for report writing.

### 3.1.2 Recommendations

1. **THAT** the Department should be submitting its monthly/annual work plans and detailed budget implementation report together with the financial statements for easy comparison and oversight purposes.
2. **THAT** the Department should ensure compliance with **Regulation 93(5 and 6 of PFM Regulations, 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.
3. **THAT** the County Executive Committee Member of the Department to establish and inform the Committee before the end of the financial year 2023/2024 the source of Kshs. 8 million not approved in the 1<sup>st</sup> supplementary budget that was used to pay pending bills together with beneficiaries and share with the Committee within 90 days after adoption of this report.
4. **THAT** the Officers who did and approved design, developed Bill of quantities and supervised the erection of the perimeter wall at the dumpsite should be investigated and held responsible for wastage of public money on erection of a wall that cannot sustain pressure from the garbage.
5. **THAT** the County/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.*
6. **THAT** the Department should always avail in advance to the Committee necessary documentary evidence supporting every expenditure vote to] ease scrutiny and analysis during interrogation of financial statements.

## **Conclusion**

Hon. Speaker, this Committee recommends strict compliance with Section 104 (i), (j) & (k) of the PFM Act 2012 in regard to responsibilities and powers of the County Treasury by all accounting Officers:

*(i) Ensuring proper management and control of, and accounting for the finances of the County Government and its entities in order to promote efficient and effective use of the county's budgetary resources;*




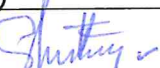

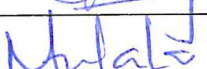
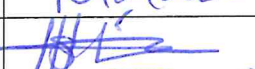







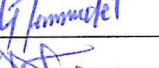
*(j) Maintaining proper accounts and other records in respect of the County Revenue Fund, the County Emergencies Fund and other public funds administered by the County government;*

*(k) Monitoring the County Governments entities to ensure compliance with this Act and effective management of their funds, efficiency and transparency and, in particular, proper accountability for expenditure of those funds.*



## Adoption schedule

The following members of Tourism, Environment, Water and Natural Resources Committee append our signatures confirming the contents there in the 1<sup>st</sup> and 2<sup>nd</sup> quarter financial statements for the period ending 31<sup>st</sup> December, 2023.

NO	NAME	DESIGNATION	SIGNATURE
1	Hon Edwin Opwora	Chairman	
2	Hon Martin Chemorion	Vice Chair	
3	Hon Joseph Nyongesa	Member	
4	Hon Meshack Simiyu	Member	
5	Hon Anthony Lusenaka	Member	
6	Hon Milliah Masungu	Member	
7	Hon Vitalis Wangila	Member	
8	Hon Aggrey Mulongo	Member	
9	Hon Sudi Busolo	Member	
10	Hon James Mukhongo	Member	
11	Hon Benjamin Otsiula	Member	
12	Hon Benard Kikechi	Member	
13	Hon Orize Kundu	Member	
14	Hon George Tendet	Member	
15	Hon Dorcas Ndasaba	Member	

## **Annexures**

1. Bungoma County 1<sup>st</sup> and 2<sup>nd</sup> quarter financial statements for the period ending 31<sup>st</sup> December, 2023.
2. Adoption Minutes

**MINUTES OF THE TOURISM, WATER, ENVIRONMENT AND NATURAL  
RESOURCES COMMITTEE HELD ON 17<sup>TH</sup> APRIL, 2024 AT 11:00AM-  
1.00P.M AT WIGOT HOTEL KISUMU.**

**MEMBERS PRESENT**

1. Hon. Edwin	Opwora	Chairperson
2. Hon. Martin	Chemorion	Vice- Chairperson
3. Hon. Joseph	Juma	Member
4. Hon. Anthony	Lusenaka	Member
5. Hon. Sudi	Busolo	Member
6. Hon. James	Mukhongo	Member
7. Hon. Meshack	Simiyu	Member
8. Hon. Aggrey	Mulongo	Member
9. Hon. Bernard	Kikechi	Member
10. Hon. Orize	Kundu	Member
11. Hon. Benjamin	Otsiula	Member
12. Hon. George	Tendet	Member
13. Hon. Milliah	Masungu	Member
14. Hon Vitalis	Wangila	Member
15. Hon. Ndasaba	Dorcas	Member

**MEMBERS OF THE SECRETARIAT**

1. Jocktan Kabeyi	Committee Clerk
2. Lucy Imenje	SAA
3. Beatrice Akoth	Hansard
4. Lilyan Namukhasi	Fiscal Analyst

## **AGENDA**

1. Preliminaries
  - i. Prayer
  - ii. Adoption of the agenda
2. Communication from Chair
3. Adoption of the 1<sup>st</sup> and 2<sup>nd</sup> quarter financial statement for FY 2023/2024 report

### **MIN. 1/17/04/2024 PRELIMINARIES**

- i. Prayer

The Meeting was called to order at 9:17 a.m. with a word of prayer said by the Chairperson.

- ii. Adoption of the agenda

Hon. Benard Kikechi proposed the agenda and was seconded by Hon. Milliah Masungu

### **MIN. 2/17/04/2024- COMMUNICATION FROM THE CHAIR.**

The Chair welcomed Members to the committee meeting and requested them to critically analyze the observation and recommendations for consideration for adoption.

### **MIN.3/04/17/2024- ADOPTION OF THE 1<sup>ST</sup> AND 2<sup>ND</sup> QUARTER FINANCIAL STATEMENT FO FY 2023/2024 REPORT**

The committee went through the report and aligned the observation to the body of the report and unanimously agreed to recommendations put in place by the Committee to address gaps identified in the report.

## **ADJOURNMENT**

There being no other business the meeting ended at 1.10 P.m.

**Confirmation:**

Hon. Edwin Opwora .....  ..... Date ..... 17/05/2024 .....

**Chairperson, Tourism, Environment, Water and Natural Resources  
Committee**

Mr. peter Makokha .....  ..... Date ..... 17th April 2024 .....

**Secretary**