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COUNTY ASSEMBLY OF BUNGOMA
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COUNTY GOVERNMENT OF BUNGOMA



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

THIRD ASSEMBLY
THIRD SESSION

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7/8/24

COMMITTEE ON PUBLIC ADMINISTRATION AND ICT

REPORT ON THE HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31ST DECEMBER, 2023 IN RESPECT TO THE DEPARTMENTS OF THE
COUNTY SECRETARY, GOVERNOR AND DEPUTY GOVERNOR AND PUBLIC
SERVICE

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
04 SEP 2024
TABLED
Amma

**Clerks Chambers
County Assembly Buildings
P.O BOX 1886 - 50200
BUNGOMA, KENYA**

APRIL, 2024

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
04 SEP 2024
NOTICE ISSUED
By *Amma*

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CHAPTER ONE

1.0 PREFACE

Hon. Speaker,

Pursuant to the provisions of the County Assembly of Bungoma S.O 217(5) (b) which mandates sectoral committees to consider quarterly reports of the assigned departments and report to the House within twenty-one (21) sitting days upon being laid. The Committee on Public Administration and ICT considered and prepared a report on the half year financial statements for the period ended 31st December, 2023.

The 1st and 2nd Quarter financial statements were tabled before this House on 28th March, 2024 and referred to the Committee for consideration and reporting back to this House pursuant to Article 185 of the Constitution of Kenya 2010 and S.O 217(5) (b) of the Bungoma County Assembly Standing Orders.

It is therefore my pleasant duty to present a report on the Half year financial statements for the period ended 31st December 2023; in respect to the Offices of the Governor, Deputy Governor, County Secretary/Attorney, Public Service Management and ICT for consideration by this House.

1.1 MANDATE OF THE COMMITTEE

Hon. Speaker,

The Committee on Public Administration and ICT is constituted under Standing Order 217 (1) of the County Assembly of Bungoma Standing Orders and whose mandate pursuant to standing order 217(5) shall be to -

- a) Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations, coordination, control and monitoring of budget;
- b) Consider quarterly reports of the assigned departments and report to the House within twenty-one (21) sitting days upon being laid;
- c) Study the programme and policy objectives of the effectiveness of the implementation;
- d) Study and review all county legislation referred to it;
- e) Study, access and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;

- f) 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;
- g) To vet and report on all appointments where the constitution or any law requires the House to approve, except those under Standing Order 208(Committee on Appointments); and
- h) Make reports and recommendations to the House as often as possible, including recommendation of the proposed legislation.

Hon. Speaker,

The Committee executes its mandate in accordance with the Second schedule of the Bungoma County Assembly Standing Orders which provides that it shall deal with all matters related to:

Public Administration including County, Sub-County, Ward and Village Administration, public service; broadcasting of the proceedings of the House; public participation; provision of library, publications and research services in the County Assembly, including improvement of the library and research services; utilization of the facilities provided by the library and research services, including use of information and communication technology; and all matters related to Office of the County Attorney.

1.2 COMMITTEE MEMBERSHIP

Mr. Speaker Sir, Committee on Public Administration and ICT comprises of the following members:

- | | |
|----------------------------|------------------|
| 1. Hon. Tony Barasa | Chair person |
| 2. Hon. Caleb Wanjala | Vice chairperson |
| 3. Hon. Stephen Wamalwa | Member |
| 4. Hon. Joseph Nyongesa | Member |
| 5. Hon. Jack Wambulwa | Member |
| 6. Hon. Busolo Sudi | Member |
| 7. Hon. Francis Chemion | Member |
| 8. Hon. Simotwo Franklin | Member |
| 9. Hon. Grace Sundukwa | Member |
| 10. Hon. Cornelius Makhanu | Member |
| 11. Hon. Timothy Chikati | Member |

- | | |
|--------------------------|--------|
| 12. Hon. Stephen Kaiser | Member |
| 13. Hon. Jeremiah Kuloba | Member |
| 14. Hon. Job Mukoyandali | Member |
| 15. Hon. Brigid Katasi | Member |

1.3. ACKNOWLEDGMENT

Mr. Speaker,


I take this opportunity to thank your Office and that of the Clerk of the County Assembly of Bungoma for the support received as the committee discharged its mandate.

I also appreciate committee members for dedicating their time to examine and analyze the Bungoma County Government Half year financial statements for the period ended 31st December 2023.

Further, I would also like to appreciate the secretariat who worked with us for their commitment.

Mr. Speaker,

It is therefore my pleasant duty and privilege, on behalf of the Sectoral Committee on Public Administration and ICT, to table this report to this House for consideration

Signed  Date..... 06/03/2024

(Hon. Tony Khaoya Barasa, MCA- Lwandanyi Ward)

Chairperson, Sectoral Committee on Public Administration and ICT

CHAPTER TWO

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

Hon. Speaker,

In the execution of its mandate, the Committee is guided by core constitutional and statutory principles on Public Finance Management, as well as established customs, traditions, practices and usages. These principles include the following:

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.*

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 149 **(1),(2), (a), (f) and (g)** states as follows;

Section 149 (1) *an accounting officer is accountable to the County Assembly for ensuring that resources of the entity for which the officer is designated are used in a way that is;*

- *Lawful and authorized*
- *Effective, efficient, economical and transparent*

Section 149 (2) *in carrying out a responsibility imposed by subsection (1), an accounting officer shall, in respect of the entity concerned;*

Section 149 (2) (a) ensures that all expenditure made by the entity complies with subsection 1

Section 149 (2) (f) bring a matter to the attention of the Executive Committee member responsible for the entity if, in the accounting officer's opinion a decision or policy or proposed decision or policy of the entity may result in resources being used in a way that is contrary to subsection (1)

Section 149 (2) (g) provide information on any fraud, losses, or any violations of subsection (1) and provide explanations for the actions taken to prevent similar conduct in future.

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*

CHAPTER THREE

3.0 PUBLIC ADMINISTRATION.

Hon. Speaker,

The total budget for Public Administration for the financial year 2023/24 is kshs. 899,957,337 as per the approved 1st supplementary budget comprising of a total of Ksh.848,244,097 Recurrent budget and Kshs. 51, 713,240 Development budget translating to a composition of 94% and 6% respectively. Included in the recurrent budget is Kshs. 6,000,000 towards Sub-county Administration.

Revenue

The amount released and expended in the half year amounted to Kshs 249,021,136 representing 28% of the total budget absorption and 29% Recurrent budget absorption. Sub-county Administration had a budget absorption of 60%. During the period, there was no expenditure on Development. The recurrent expenditures incurred are as follows:-

General administration with a budget of Kshs. 881,543,221 had absorption of Kshs. 235,271,136 translating to 26.7%. The breakdown of the expenditures underneath are:

- Salaries Kshs. 185,408,367 recording 43% absorption.
- Utilities consumed Kshs. 4million leaving a balance of 1.7 million.
- Operation had an allocation of kshs. 41,326,038 and an absorption kshs. 36,000,000 which is equivalent to 87% absorption. A highlight of the activities done include:
 - ✓ Payment for rent-Blackhouse Kshs. 7,062,068.95
 - ✓ payment for ward office rent Kshs. 1,202,317.25
 - ✓ Facilitation for preparation of strategic plan Kshs.953,400.00
 - ✓ Preparation of MTEF Kshs.897,400.00
 - ✓ Facilitation for preparation of procurement plan Kshs. 746,800.00
 - ✓ Facilitation for preparation of ADP Kshs.953,925.00
 - ✓ Facilitation for preparation of crop Kshs.922,425.00

✓ Facilitation for preparation of scheme of service Kshs.

624,500.00

✓ Stakeholder engagement Kshs. 2,696,500.00

✓ Facilitation for preparation of quarterly reports
Kshs.475,450.00

✓ Facilitation for evaluation of cleaning services Kshs.901,000.00

✓ Facilitation for feasibility study Kshs.522,000.00

- Contracted security and cleaning services had an allocation of kshs. 84,156,020 where there was nil expenditure. The department submitted that pending bills worth kshs 25.2 million were paid from this vote contravening PFMA 149.
- Medical insurance had an allocation of kshs. 249,000,000 where they spend nil. The department clarified that the premium payment was due in the 3rd quarter as per the contract.
- Infrastructure development had an allocation of kshs. 51,713,240 where they had nil expenditure.
- Sub-county administration with an allocation of kshs. 6,000,000 saw expenditures worth kshs. 3,612,769. The department in support of the expenditure provided the following expenditures though less by Kshs. 1,371,769 in relation to office operations:

KANDUYI SUB COUNTY	372,000.00
MT. ELGON SUB COUNTY	298,000.00
TONGAREN SUB COUNTY	290,000.00
SIRISIA SUB COUNTY	163,000.00
KABUCHAI SUB COUNTY	212,000.00
KIMILILI SUB COUNTY	208,000.00
BUMULA SUB COUNTY	323,000.00
WEBUYE EAST SUB COUNTY	167,000.00
WEBUYE WEST SUB COUNTY	208,000.00
TOTAL	2,241,000.00

Public Participation and Civic education

- Public participation had an allocation of kshs. 2,750,000 where they utilized kshs. 1,750,000 while civic education recorded an expenditure of kshs. 2,000,000. The funds were utilized in preparation of civic education bill and Public participation & civic education policy

Service Delivery

- Service delivery and organization had an allocation of kshs. 11,664,116 and absorbed kshs. 10,000,000. The funds were spent on among other activities national holidays:
 - ✓ Facilitation for mashujaa day Kshs. 4,395,000.00
 - ✓ Facilitation for jamhuri day celebrations Kshs. 3,476,500.00

Analysis of Accounts Receivables (Outstanding Imprests)

Outstanding Imprests for the department amounted to Kshs. 17,517,360. *Some imprests are beyond the 7 days limit.* Activities undertaken include:

- ✓ facilitation for devolution conference Kshs.1,986,000.00
- ✓ reimbursement for icpak training (3 officers) Kshs.280,200.00
- ✓ facilitation for evaluation of cleaning services Kshs.901,000.00
- ✓ facilitation for preparation of quarterly reports Kshs.475,450.00
- ✓ facilitation for stakeholders meeting Kshs.2,696,500.00
- ✓ facilitation for cecm office imprest Kshs.1,183,200.00
- ✓ facilitation to kicosca Kshs.901,900.00
- ✓ reimbursement for travel to Nairobi-training (4 officers) Kshs.282,100.00
- ✓ payment for air ticket travel Kshs.507,825.80
- ✓ payment for oil Kshs.982,758.60
- ✓ payment for cleaning services Kshs.679,666.05
- ✓ payment for supply of branded materials Kshs.95,818.95
- ✓ reimbursing for beautification of front office Kshs.20,000.00
- ✓ reimbursement of change of m/vehicle number plates Kshs.45,600.00
- ✓ payment for repair of motor vehicles Kshs.103,622.05
- ✓ facilitation for compilation of sub-county, ward admins reports
Kshs.465,500.00
- ✓ reimbursement for car wash Kshs.10,000.00

- ✓ facilitation for validation of policies Kshs.914,760.00
- ✓ Sensitization of technical and key stakeholders on public participation Kshs.491,800.00
- ✓ facilitation for feasibility study Kshs.522,000.00
- ✓ reimbursement for civic education in Kisumu Kshs.42,800.00

Pending accounts payables (pending bills)

The report indicates the department paid Kshs. 16,797,272 worth of pending bills relating to the contracted cleaning and security services. The source of the funds is not clear since there was no allocation for pending bills. However submissions from the department details of bills relating to FY 2022/23 paid amounts to Kshs 25,258,752 and they were sourced from the current year allocation on Contracted guards and cleaning services. The payments done are:

Top Flight Security Limited	13,622,606.90
Newnham Services International Limited	3,307,965.50
THE CLEANING CREW	2,039,000.05
Newnham Services International Limited	2,205,310.35
THE CLEANING CREW	679,666.05
Top Flight Security Limited	2,724,537.10
THE CLEANING CREW	679,666.05
TOTAL	25,258,752.00

3.1 OFFICE OF THE COUNTY SECRETARY

Hon. Speaker,

The department of County secretary had an approved 1st supplementary budget of Kshs. 22,899,543: recurrent kshs. 10,106,720 and development Kshs.12, 792,823.

The office received and spent a total of Kshs. 4,806,464 from exchequer. The activities done include:

- ✓ Record management kshs. 1,200,000.
- ✓ Utilities and Maintenance kshs. 800,000.
- ✓ Administration support kshs. 2,806,464.

Pending staff receivables (Outstanding Imprests)

The department had an outstanding imprest amount of Kshs. 10,397,530. Included in the amount are imprests dating back to prior years of 2016/2017, 2019/2020, 2020/2021 and 2022/2023 and for staff who have left service.

3.2 OFFICE OF THE COUNTY ATTORNEY

Hon. Speaker,

The approved budget was Kshs. 13,759,000 out of which Kshs. 3,711,880 was released from exchequer and spent translating to a 26.9% absorption.

- ✓ Utilities kshs. 250,000.
- ✓ Maintenance kshs.250, 000.
- ✓ Operations had an allocation of kshs. 3,287,500 where they spent kshs. 3,211,880 hence a 98% absorption.

3.3 GOVERNORS AD DEPUTY GOVERNORS OFFICE

Hon. Speaker,

The Governor and deputy Governor Office had allocation of kshs. 445,731,698 while Deputy Governor had Kshs. 27,336,583 for recurrent budget..

The total actual expenditure for the period amounted to Kshs.240,109,453 representing 51% budget absorption This has been analyzed as follows:-

- General administration had an expenditure of Kshs. 184,993,503 representing 52% absorption. The amount was spent on:
 - Salaries and gratuity kshs. 110,902,890 representing 41% absorption.
 - County budget and economic forum absorption entire allocation of Kshs.3 million
 - Public consultative meetings full absorption of the allocated Kshs.15 million
 - Feasibility Studies/ advisory services absorbed entire amount of Kshs. 2million which was spent by SDU to conduct a study on how devolved units are offering services. (**See report attached**).
 - Utilities Kshs. 5million
 - Operations and other departmental programs consumed 86% of the allocation i.e. Kshs. 39 million. A highlight of activities done are:
 - ✓ Bodaboda Sensitization kshs2,583,000
 - ✓ Devolution conference Kshs. 2,644,900
 - ✓ CoB Meeting Kshs. 77,200
 - ✓ Facilitation for pre delivery inspection Kshs. 152,300
 - ✓ Facilitation to attend sector committee's meetings kshs. 172,200
 - ✓ Facilitation to Malaysia Kshs.711,160.00
 - ✓ Facilitation to report Writing in Kisumu Kshs.1,519,200.00
 - ✓ Facilitation to Walkabout foundation, Nairobi Kshs.166,500.00
 - ✓ final dues underpaid to cecm emacar Kshs.2,621,575.00
 - ✓ Housing benefits Kshs.4,060,000.00
 - ✓ LREB Kericho Kshs.74,200.00
 - ✓ Lunch allowances Kshs.1,420,000.00
 - ✓ MOU Signing APECK Kshs.32,400.00
 - Maintenance Kshs. 10 million leaving a balance of Kshs 4million
- Leadership and Coordination of County Departments and Agencies with an allocation Kshs.16.7 million recorded 12 million in expenditures

- County Strategic and Service Delivery Coordination with an allocation of Kshs. 70 million had Kshs.33 million worth of expenditures.
 - Staff management services (Trainings) Kshs.5 million
 - Events management services Kshs. 5million
 - Communications spent an entire allocation of Kshs. 1million
 - Integrity Kshs. 2million.
 - Intergovernmental relations Kshs. 5million.
 - Special programs with an allocation of Kshs.40 million had expenditures worth Kshs.14 million.

Office of the Deputy Governor

The approved budget was Kshs. 27,336,583 out of which Kshs. 10,115,950 was expended on operation. The activities highlighted are:

- Breakfast meeting with MCAs spouses Kshs. 396,000
- Devolution conference Kshs.987,000
- Facilitation of anti-FGM sensitization Kshs. 1,581,000
- Dialogue on teen pregnancies Kshs. 1,293,000
- The rest of the amount has been reported as office imprests with no clear activities undertaken.

CHAPTER FOUR

4.1 COMMITTEE OBSERVATIONS

Hon. Speaker,

The Committee made the following observations;

1. **THAT**, payments were made on items which were not captured in the approved PBB e. g payments for contracted guards and cleaning services, Kicosca and Rent for state officer in the last term.
2. **THAT**, Officers were advanced imprests without considering whether previously held imprests have been surrendered, resulting in multiple un-surrendered imprests held by an individual. Further, imprests were advanced to staff on contractual terms which is against the PFM regulations.
3. **THAT**, most imprest activities have resultant reports that should be submitted to the Assembly for consideration. Apart from the SDU report, planning and budgeting documents, other reports are yet to be submitted to the County Assembly e.g. Reports emanating from foreign trips and domestic trips.
4. **THAT**, there is Lack of budgetary control with most programs recording 100% in the half year especially in the Governor's budget.
5. **THAT**, there is Non-disclosure of activities/projects done under the special programs expenditures. There is lack of policy guiding special programs operations.
6. **THAT**, Rent for ward office is in arrears which has led to closure of some ward offices

4.2 COMMITTEE RECOMMENDATIONS

Hon. Speaker,



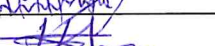
The Committee made the following recommendations

1. **THAT**, the budgets **MUST** be implemented as approved pursuant to PFMA 149 (1).
2. **THAT**, The Accounting Officers **MUST** comply with the provisions of Regulation 93(5), (6), (7) and (8) of the Public Finance Management Regulations, 2015 in respect to management of Imprest.
3. **THAT**, Reports should be submitted to the County Assembly in order to ascertain value for money within 14 days after adoption of this report.
4. **THAT**, Expenditures relating to Governor and Deputy Governor's office should be controlled in order to operate within the CRA ceiling approved by Senate.
5. **THAT**, Accounting Officer should comply with PFMA 166(2) in disclosing expenditure items and activities done. This promotes transparency and accountability in government spending.
6. **THAT**, Pending bills should be paid by 2nd quarter to avoid litigations and also in line with the County treasury circular that put pending bills a first charge.

Thank you, I move

ADOPTION SCHEDULE

The Members of the Sectoral Committee on Public Administration and ICT hereby adopt and append the signatures to this report with the contents herein.

S/N	Name	Designation	Signature
1	Hon. Tony Barasa	Chairperson	
2	Hon. Caleb Wanjala	V/Chairperson	
3	Hon. Stephen Wamalwa	Member	
4	Hon. Joseph Juma	Member	
5	Hon. Jack Wambulwa	Member	
6	Hon. Sudi Busolo	Member	
7	Hon. Grace Sundukwa	Member	
8	Hon. Francis Chemion	Member	
9	Hon. Stephen Kaiser	Member	
10	Hon. Timothy Chikati	Member	
11	Hon. Cornelius Makhanu	Member	
12	Hon. Jeremiah Kuloba	Member	
13	Hon. Franklin Simotwo	Member	
14	Hon. Job Mukoyandali	Member	
15	Hon. Bridgid Katasi	Member	