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COUNTY GOVERNMENT OF BUNGOMA



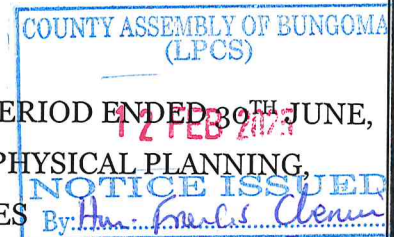
COUNTY ASSEMBLY OF BUNGOMA
OFFICE OF THE CLERK



THIRD ASSEMBLY
THIRD SESSION

COMMITTEE ON LANDS, URBAN, PHYSICAL PLANNING AND HOUSING

REPORT ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE,
2024 FOR THE DEPARTMENT OF LANDS, URBAN, PHYSICAL PLANNING,
HOUSING AND MUNICIPALITIES



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

December, 2024

CONTENTS

CHAPTER ONE.....	3
1.0 EXECUTIVE SUMMARY.....	3
1.2 FISCAL AND LEGAL FRAMEWORK.....	4
1.3 MANDATE OF THE COMMITTEE.....	5
1.4 THE MEMBERSHIP OF THE COMMITTEE.....	6
1.5 ACKNOWLEDGEMENT.....	7
CHAPTER TWO.....	8
2.1 LANDS URBAN AND PHYSICAL PLANNING.....	8
2.2 HOUSING.....	9
2.3 BUNGOMA MUNICIPALITY.....	11
2.4 KIMILILI MUNICIPALITY.....	12
CHAPTER THREE.....	14
3.0 COMMITTEE GENERAL OBSERVATIONS AND RECOMMENDATIONS.....	14
3.1 COMMITTEE OBSERVATIONS.....	14
3.2 COMMITTEE RECOMMENDATIONS.....	14

CHAPTER ONE

1.0 EXECUTIVE SUMMARY

Mr. Speaker sir,

The committee conducted one on one interrogation on 8th November 2024 for the consolidated Financial statements and report for financial year 2023/24 ending June, 2024 to seek clarity on the expenditures and the rate of absorption of the budget.

Pursuant to section 166(4) of the PFM Act 2012, the County Treasury is mandated to prepare quarterly reports on all county departments and submit the same to the County Assembly not later than 30 days of the succeeding month after the end of each quarter. It is in this regard that the County Executive Committee Member for Finance and Economic Planning submitted the Bungoma County quarterly report and financial statements for the period ended 30th June 2024.

The report was subsequently tabled in this House and the Hon. speaker directed that the report be committed to all sector committees for legislative processing and reporting.

Hon Speaker, the quarterly reports and financial statements presents budget execution status covering the period under review with comparative actual achievements and budget amounts for the previous financial year. Further, it contains the revenue performance both locally generated and an equitable share from the National Government.

Finally, the Committee has comprehensively considered the consolidated financial statements and report for the period ended 30th June 2024 and presents this as the committee report for consideration by this House.

It is my pleasant duty to present the report on the consolidated financial statements and report for the period ended 30th June 2024; in respect to the department of Lands, Urban Physical Planning and Housing.

1.2 FISCAL AND LEGAL FRAMEWORK

Mr. speaker Sir, *Article 226(2) of the Constitution of Kenya, 2010 states that, the Accounting Officer of the National Public entity is accountable to the National assembly, while the Accounting Officer of a County Government entity is accountable to the County Assembly for its financial management.*

According to **section 116 of the Public Finance Management Act, 2012**, an Accounting officer for a County Government entity shall prepare a report for each quarter of the financial year in respect of the entity. Further, the section requires the accounting officer of the county government entity to ensure that the quarterly report;

- Contains information on the financial and non-financial performance of the entity, and is in a form that complies with the standards prescribed and published by the Public Sector Accounting Standards Board.

The section also requires that not later than fifteen (15) days after the end of each quarter, the Accounting Officer shall submit the quarterly report to the County Treasury. It also requires the County Treasury to consolidate the financial statements within one month following the end of the quarter and to submit to County Assembly with a copy to National Treasury, Controller of Budget and the Commission on Revenue Allocation.

Obligations of Accounting Officers

Mr. Speaker Sir, *Section. 149(1) of the PFM Act 2012, states that;*

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.*

Accounting officers will be accountable to County Assembly for;

- *Ensuring the most effective means of achieving desired programme outcomes are used.*
- *Maintaining effective systems of internal control and the measures taken to ensure that they are effective.*
- *Measures taken to prepare the financial reports that reflect a true and fair view of the financial position of the department.*

It is in the considered opinion of the Committee that the Accounting Officer in the department observed the Principles of Public Finance as laid down in **Article 201 of the CoK, 2010** in managing the finances of the entity in the period under review.

1.3 MANDATE OF THE COMMITTEE

Mr. Speaker Sir,

The sectoral Committee on Lands, Urban, Physical Planning and Housing is constituted pursuant to the provisions of Standing Order No. 217 of the Bungoma County Assembly Standing Orders and executes its mandate in accordance with Standing Order No.217(5) which provides that, the functions of a sectoral committee 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 departments and the effectiveness of the implementation;
- d. Study and review all county legislation referred to it;
- e. Study, assess 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
- g. Assembly;
- h. 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
- i. Make reports and recommendations to the County Assembly as often as possible, including recommendations of proposed legislation.

1.4 THE MEMBERSHIP OF THE COMMITTEE

Mr. Speaker Sir,

The current composition of the Committee on Lands, Urban, physical Planning and Housing is as follows:

1.	Hon. Francis	Chemion	Chairperson
2.	Hon. Johnston	Ipara	Vice/Chairperson
3.	Hon. Ali	Machani	Member
4.	Hon. James	Barasa	Member
5.	Hon. Aggrey	Mulongo	Member
6.	Hon. Sudi	Busolo	Member
7.	Hon. Hentry	Nyongesa	Member
8.	Hon. Joan	Kirong'	Member
9.	Hon. Edwin	Opwora	Member
10.	Hon. Wafula	Waiti	Member
11.	Hon. Benjamin	Otsiula	Member
12.	Hon. George	Makari	Member
13.	Hon. Cornelius	Makhanu	Member
14.	Hon. Jeremiah	Kuloba	Member
15.	Hon. Plycarp	Kimeta	Member

1.5 ACKNOWLEDGEMENT

Mr. Speaker Sir.

I take this opportunity to thank the Office of the Speaker and the Clerk of the County Assembly for the logistical support accorded to the Committee as it executed its mandate. My gratitude also goes to all members of the Committee for dedicating their time to examine both the Kimilili and Bungoma Municipality Integrated Development Plans.

Mr. Speaker Sir. It is therefore my pleasant duty and privilege, on behalf of the Sectoral Committee on Lands, Urban, physical Planning and Housing, to table this report to the Assembly for consideration and adoption.

Thank you.

Sign Date 3/2/25


HON. FRANCIS CHEMION, MCA, KAPTAMA WARD
CHAIRPERSON, COMMITTEE ON LANDS, URBAN, PHYSICAL PLANNING AND

HOUSING

CHAPTER TWO

2.1 LANDS URBAN AND PHYSICAL PLANNING

The department had an annual approved budget of kshs.98,056,672 comprising kshs.49,096,564 as recurrent and Ksh. 48,960,108 development expenditure. The overall budget expenditure by the end of the financial year 2023/24 was Kshs. 59,740,791 indicating a 61% absorption.

Under recurrent expenditure, the absorption of the budget was as follows;

- I. Human resource management with an approved budget of kshs.26,637,264 incurred an expenditure of Kshs. 25,674,819.75 indicating a 96% absorption.
- II. Operations and maintenance with a cumulative allocation of kshs. 22,459,300 had an expenditure of kshs. 15, 020,305 indicating a 67% absorption.

The department submitted to the committee that the remaining 4% on Human Resource management was to be used to cover the salaries of the valuation and the GIS officer who were recruited later and reported to office after the close of the financial year.

There were four sub-programs under development budget with the following expenditures summaries;

- I. Physical and land use plans with an allocation of Kshs. 7,637,625 for contracted technical services for review of Webuye integrated Physical plan and the development of Kaptama urban development plan. However, as per the budget tracking submission from the Department, there was an expenditure of Kshs. 2,306,218.

The department submitted that it prepared all the necessary vouchers for payment but they were not paid for.

- II. Purchase of land had an allocation of Kshs. 10,000,000 meant for purchase of land for Kaberwa tea factory in Mt. Elgon Sub-County was not utilized.

The Department explained that documentations on the project were presented outside the exchequer period hence they were returned by the County Treasury.

III. Ward based projects with an allocation of kshs.20,151,400 had an expenditure of kshs.15,723,216 indicating a 78% absorption.

The department submitted that it used the amount to clear the pending bills for 2022/2023 financial year and the total amount spent was Kshs. 16,700,000 and not kshs.15,723,216 as presented.

Pending Bills

- Supplier credit with an allocation of Kshs. 11,170,983 did incur an expenditure of Kshs. 7,004,785 according to the financial statements while the submitted document shows an expenditure of Kshs. 5,655,517. The activity paid relates to preparation of valuation rolls for Kimilili Town. The pending bill of Kshs. 4,000,000 for purchase of land for Mukuyuni Ward office and Syombe ECDE were not settled by the end of the financial year;

The department submitted that it prepared all the necessary documentation but they were not paid for.

Outstanding Imprest

Outstanding imprest in the department amounted to Kshs. 5,651,820 with some imprest relating to the period outside of the financial year i.e an imprest dated 3rd August 2024 and 15th July 2024.

A list of of surrendered imprests was presented to the committee indicating that all the imprests had been surrendered.

2.2 HOUSING

The directorate had an approved budget of kshs.183,111,105 comprising of kshs.31,811,175 as recurrent and Ksh. 151,299,930 development expenditure. The directorate was able to receive and spend Kshs. 179,458,273 which translates to 98% absorption of the budget. Recurrent had an expenditure of Kshs. 28,158,343 (88.5% absorption) while development had an absorption of Kshs. 151,299,930 (100% absorption)

In terms of programs and sub-programs, Recurrent expenditure had the following absorption:

- I. Salaries and emoluments with an approved budget of kshs.9,586,560 had an expenditure of kshs.10,664,165.14 indicating 108% absorption.
- II. Operations and maintenance with cumulative allocation of kshs. 21,916,574 had an expenditure of kshs. 8,784,490.85 indicating a 40% absorption.

The department explained that extra amount incurred on Salaries of 108% was for the new recruits in the department paid by the County Treasury.

Development expenditure with a total of Kshs. 151,299,930 incurred an expenditure of kshs. 88,635,372.4 as summarized in the table below;

N O	ITEM	BUDGETED AMOUNT	CONTRACT SUM	AMOUNT PAID	BALANCE C/F	REMARKS
1	Construction of County office Block	30,700,000	498,880,128	50,000,000	Nil	payment made during 2 nd suppl budget uploading
2	Construction of Official Governor's Residence	10,000,000	40,120,900	0	10,000,000	Funds utilized in advance payment for County office Block
3	Construction of 5No public security light in Mjini & Landimatope	27,900,000	27,900,000	21,935,172.40	5,964,828	Almost complete
5	Other Capital Grants and Transfers KISP11	54,699,830	378,999,500	0	54,699,830	Site handed over.
6	Supplier Credit (renovation of houses and perimeter wall)	3,000,100	0	3,000,000	0	
7	Urban beautification	25,000,000	24,982,001	13,700,200	11,281,801	Balance utilized to clear advance payment for County office Block
	Total	151,299,930	970,882,529	88,635,372.4	81,946,459	

Supplier Credit

There was a provision of Kshs. 4,523,874 in the budget meant for supplier credit (Kshs. 1,523,774 recurrent and Kshs. 3,000,100 development). By end of the financial year Kshs. 3,014,704 had been paid out (Kshs. 1,234,433 recurrent and Kshs. 1,780,271 development); **the department provided a list of programmes to the committee to justify the above expenditures.**

Outstanding imprest

The outstanding imprest for the directorate of Housing is as captured under lands.

2.3 BUNGOMA MUNICIPALITY

The Municipality had an approved budget of kshs.192,125,073 comprising of kshs.23,125,073 as recurrent and Ksh. 169,100,000 development expenditure. The overall budget expenditure by the end of the financial year was Kshs. 80,493,913 indicating a 41.9% absorption.

Recurrent expenditure had absorption of Kshs. 20,723,562 translating to 90% of the entire allocation. The following were the absorptions per sub-programs;

- I. Salaries and personnel emoluments with an approved budget of kshs. 13,503,848 incurred an expenditure of Kshs. 12,397,661,190 indicating 99.6% absorption.
- II. Operations and maintenance had an annual approved budget of kshs. 10,627,412 while it incurred expenditure of Kshs. 7,744,737 translating to 73% absorption.

On the development side, expenditure was Kshs. 59,770,351 under the following sub-programs;

- Urban, transport and infrastructure development with an allocation of Kshs. 85,500,000 absorbed KShs. 51,121,716 (59.8% absorption). The allocation includes the construction of a modern bus park at Kanduyi and purchase of land for a trailer park.
- Ward based projects with an allocation of Kshs. 68,400,000 incurred an expenditure of Kshs. 8,662,648 (13% absorption).

- Overhaul of other infrastructure and civil works with an allocation of kshs. 15,200,000 had an absorption of Kshs. 5,500,000.

Supplier Credit

Pending Bills declared amounts to Kshs. 1,320,740 all being recurrent. Kshs. 298,670 was paid out within the financial year to settle one of the pending bill while there is no provision in the budget for supplier credit.

Committee observations

An amount of kshs. 16 million meant for trailer park was reallocated to purchase of land for traders at Chebukube market and the process was at procurement stage, a reallocation done without committee approval or knowledge.

2.4 KIMILILI MUNICIPALITY

The Municipality had an approved budget of Kshs. 150,700,007 comprising of Kshs. 29,045,267 as recurrent and Ksh. 121,654,740 development expenditure. The overall budget expenditure by the end of the year was Kshs. 60,283,423 indicating a 40% absorption.

Recurrent expenditure was Kshs. 25,626,885 and were on the following programs;

- General administration planning and support services had an approved budget of kshs. 15,234,222 absorbed kshs. 13,541,281 (89%absorption).
- Human resource with a budget of kshs. 13,811,045 meant for salaries incurred an expenditure of kshs. 12,085,604 translating to 88% absorption.

On the development side, a total of kshs. 34,656,538 from an allocation of Kshs. 121,654,740 was absorbed, indicating a 28.5% absorption. The absorption has been put under the following programmes;

1. Urban infrastructure development and maintenance with an allocation of Kshs. 32,700,000 absorbed kshs. 3,764,780(11% absorption) the absorption is for construction of sanitation facility at Bus park.

2. Other infrastructure and civil works with an allocation of kshs. 89,154,740, which includes Ward based projects of kshs. 68,400,000 and KUSP refund of kshs. 20,754,740.
 - a. The WBP incurred an expenditure of Kshs. 10,137,017.90(15.6% absorption). This was towards periodic maintenance of Miruri SA Babasaba Road(Kibingei Ward), period maintatnce of Nambani VTC-Topela Road(Maeni Ward).
 - b. For the refund of funds to KUSP Special Purpose accounts, the entire amount of kshs. 20,754,740 was used to settle the following; upgrading of Mkulima-Nasusi Road(Phase I), installation of Highmast Lights at Nasusi and Chebukwabi, Urban cleaning and beautification and installation of Waste Collection Bins within the Municipality.

CHAPTER THREE

3.0 COMMITTEE GENERAL OBSERVATIONS AND RECOMMENDATIONS

3.1 COMMITTEE OBSERVATIONS

Mr. Speaker Sir, the committee observes as follows;

1. The committee observes that the department made reallocations and payment of Ward based projects without the approval of the committee or the owners of the allocated projects.
2. The department provided a list of Ward based projects both paid for and those not paid for to the committee.
3. The employment of the new county valuer will henceforth help in spearheading the purchase of land in the county.





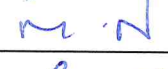






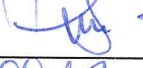

3.2 COMMITTEE RECOMMENDATIONS

Mr. Speaker Sir, the committee recommends as follows;

1. **THAT**, the committee will carry out a site visit on the projects under other infrastructure and civil works in Kimilili Municipality to ascertain the implementation status of the above mentioned programmes.
2. **THAT**, in view of late submission of necessary documentations, the department should endeavour to commit money for projects early enough to avoid cases of roll overs which is not expressly provided for in law.
3. **THAT**, the Committee strongly warns and refrains the Department from making re-allocations of funds without seeking the approval of the County Assembly.
4. **THAT**, henceforth, the department should embrace consultations with mother committee and involvement of the public in sensitive matters of land including purchases and the Public Private Partnerships (PPP).

ADOPTION SCHEDULE

We the undersigned members of the Sectoral Committee on Lands, Urban, Physical Planning, Housing and Municipalities affix our signatures adopting this report with the recommendations therein.

	NAME	DESIGNATION	SIGNATURE
1.	Hon. Francis Chemion	Chairperson	
2.	Hon. Linda Kharakha	Vice/Chairperson	
3.	Hon. Ali Machani	Member	
4.	Hon. James Barasa	Member	
5.	Hon. Metrine Nangalama	Member	
6.	Hon. Sudi Busolo	Member	
7.	Hon. Hentry Nyongesa	Member	
8.	Hon. Eunice Kirui	Member	
9.	Hon. Edwin Opwora	Member	
10.	Hon. Wafula Waiti	Member	
11.	Hon. Mildred Barasa	Member	
12.	Hon. George Makari	Member	
13.	Hon. Cornelius Makhanu	Member	
14.	Hon. Jeremiah Kuloba	Member	
15.	Hon. Polycap Kimeta	Member	