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**COUNTY GOVERNMENT OF BUNGOMA**



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

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THIRD ASSEMBLY  
 THIRD SESSION

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**SECTORAL COMMITTEE ON PUBLIC ADMINISTRATION AND ICT**  
**REPORT ON CONSOLIDATED 4<sup>TH</sup> QUARTER FINANCIAL**  
**STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2024.**

**Clerks Chambers**

**DECEMBER, 2024**

**County Assembly Buildings**

**P.O BOX 1886 - 50200**

**BUNGOMA, KENYA**

## **1.0. CHAPTER ONE**

### **1.1 Preamble**

**Mr. Speaker Sir,**

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 30<sup>th</sup> June 2024.

The report was subsequently tabled in this House on 16<sup>th</sup> October 2024. The Hon speaker directed that the report be committed to all sector committees for legislative processing and reporting.

**Mr. Speaker Sir**, the quarterly reports and financial statements presents budget execution status covering the period 1<sup>st</sup> April 2024 to 30th June 2024 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 herein comprehensively considered the Bungoma County consolidated quarterly report and Financial statements for the period ended 30<sup>th</sup> June 2024 and presents this as the committee report for consideration by this House.

It is my pleasant duty to present the Bungoma County Government report on the 4<sup>th</sup> Quarter financial statements for the period ended 30<sup>th</sup> June 2024; in respect to the Offices of the Governor, Deputy Governor, County Secretary/Attorney, Public Service Management and ICT.

## 1.2 The Committee Membership

**Mr. Speaker Sir,**

The following are the current Members of the Committee on Public Administration and ICT:

1. Hon. Tony Barasa	-Chairperson
2. Hon. Caleb Wanjala	-Vice chair
3. Hon. Joseph Nyongesa	-Member
4. Hon. Jackson Wambulwa	-Member
5. Hon. Busolo Sudi	-Member
6. Hon. Francis Chemion	-Member
7. Hon. Johnston Ipara	-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. Polycarp Wandabusi	-Member

### **1.3. Mandate of the Committee**

**Mr. Speaker Sir,**

The Sectoral Committee on Public Administration & ICT was established on 26<sup>th</sup> October, 2022 in accordance with Standing Order No.179.

The mandate of the Committee is derived from the Standing Order No.217 (5) and matters assigned under the Second Schedule which shall be exercised within the limits contemplated under Part 2 of the Fourth Schedule of the Constitution of Kenya, 2010.

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 and estimates of the assigned departments;
- (b) Consider quarterly reports of the assigned departments and report to the house within twenty one 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, 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 County Assembly to approve, except those under Standing Order 208 (Committee on Appointments); and
- (h) Make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

2. In accordance with the Second schedule of the Bungoma County Assembly Standing Orders, the committee is mandated to 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.

#### **1.4. Acknowledgment**

**Mr. Speaker Sir,**

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 4<sup>th</sup> Quarter financial statements and report for the periods ended 30<sup>th</sup> June 2024, Further, I would also like to appreciate the secretariat who worked with us for their commitment.

**Mr. Speaker Sir,**

It is therefore my pleasant duty and privilege, on behalf of the Hon. Members of the Sectoral Committee on Public Administration and ICT, to table this report and recommend it to the Assembly for consideration and adoption.

Signed .....  Date ..... 05/02/2025 .....

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

**Chairperson, Sectoral Committee on Public Administration and ICT**

## **2.0. CHAPTER TWO**

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

**Mr. Speaker Sir,**

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:

### **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: *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.*

### **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”*.

### **Obligations of Accounting Officers**

The Public Finance Management Act, 2012 section 149 **(1), (2), (a), (f) and (q)** 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)** ensure 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)(q)** 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

## **Expenditure by Departments**

### **Public Administration**

**Hon. Speaker Sir,**

The total budget for Public Administration for the financial year 2023/24 was Kshs. 892,957,337 as per the approved 2<sup>nd</sup> supplementary budget comprising of a total of Kshs. 860,244,097 Recurrent budget and Kshs. 32,713,240 Development budget translating to a composition of 96% and 4% respectively. Included in the recurrent budget is Kshs. 6,000,000 towards Sub-County Administration.

The budgeted amounts as reported in the Budget Execution by Programmes and Sub-Programmes report on does not tally with the approved PBB; the sub-programme numbering is also inconsistent with the approved PBB. The variances in the budget amounts have been computed as follows: -

<b>Details</b>	<b>As Reported in FS</b>	<b>As per approved PBB</b>	<b>Variance</b>
SP 1.2 Utilities	-	800,000	(800,000)
SP 1.3 Maintenance	-	650,000	(650,000)
SP 1.4 Operations	76,066,755	49,160,185	26,906,570
SP 1.5 Contracted security and cleaning services	71,179,450	84,156,020	(12,976,570)
SP 1.6 Purchase of uniforms	-	1,500,000	(1,500,000)
SP 1.9 Infrastructure Development	45,506,063	32,713,240	12,792,823

In its response the department stated: The reporting in the financial statements had a lot of transactions misclassified leading to some sub programmes being understated and others over stated. A case in point is utilities and maintenance which had an allocation of Kshs. 800,000 and Kshs. 650,000 respectfully but were reported as nil and included in the operations instead. Similarly, Service Delivery and Organizational Transformation programme under which National holidays celebrations sub programme falls, was

captured as having a nil allocation but captured again under operations with its rightful amount. This contributed to the ballooning of the operations amount in the financial statements.

### **Budget Absorption**

The total expenditure budget for the period was Kshs 892,957,337 out of which expenditure amounted to Kshs 661,535,486 representing 75% budget absorption; 74% recurrent budget absorption and 89% Development budget absorption.

This is analyzed as follows: -

<b>Expenditure classification</b>	<b>Expenditure budget (ksh)</b>	<b>Actual (ksh)</b>	<b>Percentage</b>
Recurrent	848,244,097	626,585,122	74%
Recurrent (Sub county Admin)	6,000,000	5,694,200	95%
<b>Total Recurrent</b>	<b>854,244,097</b>	<b>632,279,322</b>	<b>74%</b>
Development	32,713,240	29,256,163	89%
<b>Total</b>	<b>886,957,337</b>	<b>661,535,486</b>	<b>75%</b>

Budget execution by programmes and sub-programmes is indicated below:-

1.General Administration, Planning and Support Services had a 2<sup>nd</sup> supplementary budget of Kshs. 836,244,097; the department absorbed Kshs. 628,279,322 representing a 75% budget absorption as detailed below:

- a) Compensation to employees (salaries) allocation was Ksh. 428,997,892 the department absorbed Kshs. 433,866,205.25 indicating a Kshs. 4,868,313.25 over and above the approved budget occasioned by SRC Salary Review 2023/24, introduction of Housing Levy through the Finance Bill 2023 and new NSSF rates with effect from July 2023. The department had its 2 months

salaries for May and June paid by a loan from KCB Bank through the department of Finance having experienced challenges with the exchequer which affected payment of the salaries.

b) Operations had an allocation of Kshs. 76,066,755 with an absorption of Kshs. 70,021,224 representing 92% budget absorption. The amount includes the allocation for Madaraka day celebrations done in the 2<sup>nd</sup> supplementary as follows whose detailed expenditures were not disclosed:

- i. Commercials Kshs. 1 million
- ii. Digital Communications Kshs. 1,500,000
- iii. Jumbo Flag Kshs. 1,000,000
- iv. Miniature Flags Kshs. 2,000,000
- v. Printing of flyers/Posters Kshs. 2,5000,000
- vi. Water, juice ,soda and assorted snacks Kshs. 4,000,000

Highlights of expenditures incurred under operations are as follows:

- i. Payment for rent-Blackhouse Kshs. 7,062,068.95
- ii. Payment for ward office rent Kshs. 1,202,317.25
- iii. Facilitation for preparation of strategic plan Kshs. 953,400.00
- iv. Preparation of MTEF Kshs.897,400.00
- v. Facilitation for preparation of procurement plan Kshs. 746,800.00
- vi. Facilitation for preparation of ADP Kshs. 953,925.00
- vii. Facilitation for preparation of CBROP Kshs. 922,425.00
- viii. Facilitation for preparation of scheme of service Kshs. 624,500.00
- ix. Stakeholder engagement Kshs. 2,696,500.00
- x. Facilitation for preparation of quarterly reports Kshs. 475,450.00
- xi. Facilitation for evaluation of cleaning services Kshs. 901,000.00
- xii. Facilitation for feasibility study Kshs. 522,000.00
- xiii. Maintainace of motor vehicle Kshs.640,440
- xiv. Water and Sewerage expenses Kshs.100, 000 and Kshs. 100,000 for electricity
- xv. Purchase of uniforms for Village Administrators Kshs.1,500,000

- c) National holidays had an allocation of Kshs. 7,000,000 which was spent on two public holidays-Mashujaa Day for Kshs. 4,395,000.00 and Jamhuri Day for 3,476,500.00
- d) Public Participation with an allocation of Kshs. 4,000,000 which had an absorption of Kshs. 4,000,000 representing 100% budget absorption.
- e) Civic education with an allocation of Kshs. 4,000,000, a total of Kshs. 3,600,000 was spent on stakeholder engagement on formulation of public participation and civic education policies and the validation of the same.

Other major expenditures included:

- f) Contracted security and cleaning services had an allocation of Kshs. 84,156,020 with an absorption of Kshs. 70,935,422 representing 84% budget absorption.
- g) Medical insurance allocation of Kshs. 249,000,000 paid to the service provider in three different tranches of Kshs.180 Million, Kshs.19,860,664 and Kshs.49,139,336 on varied dates.
- h) Devolved units had an allocation of Kshs. 6,000,000 with an absorption of Kshs. 5,694,200 representing 95% budget absorption.

## **Development**

**Mr. Speaker Sir,**

Other Infrastructure and Civil Works had an approved second supplementary budget of Kshs. 32,713,240 with an absorption of Kshs. 29,256,163 representing 89% budget absorption. The breakdown of the payment is as illustrated below:

### **1. Construction of Kimaeti Ward Office.**

The project had an approved allocation of ksh.5, 700, 000.00 for the construction of the offices. Submission from the department indicates that the project was awarded a contract sum of Kshs. 9,453,590. The contract was awarded to M/S Saharry Logistics Limited. The contract period was however not indicated in the contract agreement

document availed. The cumulative payment as at June 2024 was ksh.5, 875, 156.00 with an outstanding balance of ksh.3, 578,344. 00.

## **2. Construction of Chepyuk Ward office.**

The project had an approved allocation of ksh.5, 700, 000.00 for the office's construction. The contract was awarded to M/S Wanalu Enterprise at a contract sum of Kshs.8, 853, 707.00 although the contract period for this project was not indicated. As at the closure of the Financial Year, Kshs. ksh.8, 602, 666.00 was paid leaving a balance of Kshs. 251, 041. The payment done is way above the available fund by Kshs.2, 902, 666 meaning the execution of the project might have affected the implementation of the other projects. The payment voucher attached does not also give evidence of retaining 10% and transfer to the retention account.

## **3. Construction of South Bukusu Ward Office.**

The approved allocation was ksh.5, 700, 000.00 for construction of the ward office with the contract awarded to M/S Glamax Enterprise Limited and the contract sum being Ksh.9, 491, 500.00. The contract period was not indicated in the agreement. The cumulative payment as at June 2024 was ksh.4, 838, 240.00 while the outstanding balance was given as ksh.4, 653,260. The original contract sum as per the valuation for the work to be done was ksh.9, 491, 000.00.

4. M/S Welldan Construction Ltd was paid Kshs. 9,940,201 for construction of MALAKISI/KULISIRU ward office though the project was not in the approved budget.
5. There was also a budget for Pending bills for Misikhu Ward Office at Kshs.3,000, 000 and Construction of Bokoli ward office at Kshs.1,213,240 which the department did not provide clear information of the payments
6. Kapkateny and Milima ward offices never commenced despite the contracts having been awarded due to site disputes which were yet to be resolved.

## **Analysis of Accounts Receivables (Outstanding Imprests)**

**Mr. Speaker Sir,**

Outstanding Imprests for the department amounted to Kshs. 12,167,820 against a total outstanding amount of Kshs. 74,564,684 for the whole County being a proportion of 16%. Some imprests are beyond the 7 days' limit. The department should ensure compliance of Regulation 93(5 and 6) of PFM Regulation, 2015 on surrendering imprest and also enhance imprest management system. Some imprest were taken in July 2024 way after closing the Financial Year.

## **Pending accounts payables (pending bills)**

The Opening balance for Public Administration at the beginning of the financial year was Kshs. 30,333,181 being Supply of services. Kshs. 19,624,169 was paid during the year. As at 30<sup>th</sup> June 2024, the outstanding balance was Kshs. 10,709,012 with the highest amount being Kshs. 8,957,245 relating to Cleaning services at Bungoma Referral Hospital for FY 2020/2021.

## **Office of the County Secretary and County Attorney**

**Mr. Speaker Sir,**

The Office of the County Secretary and County Attorney had an annual 2<sup>nd</sup> supplementary budget of Kshs. 46,658,543 comprising of Kshs. 33,865,720 recurrent and Kshs. 12,792,823 for Development expenditure programmes.

The report of Budget Execution by Programmes & Sub-Programmes for County Secretary and County Attorney shows the Development amount of Kshs. 12,792,823 was captured under Public Administration instead of County Secretary.

The department submitted that the Office of the County Secretary is domiciled in the department of Public Service Management & Administration though has its own vote head. Exclusion of the development amount under Office of the County Secretary and its inclusion under Public Administration was a misplaced recording that the office commits to rectify going forward.

## **Budget Absorption**

Budget execution by programmes and sub-programmes was indicated as follows:

- a) 1.General Administration, planning and support services (County Secretary). The approved allocation was Ksh. 20,106,720. The department absorbed Ksh. 19,893,216 representing 99% budget absorption.
- b) 2.Utilities and maintenance had an allocation of Kshs. 450,000 with an absorption of Kshs. 145,797 translating to a budget absorption rate of 32%.
- c) 3.Administration support had an allocation of Kshs. 19,656,720 with an absorption of Kshs. 19,747,419 representing 100% budget absorption. A highlight of the activities done are as captured below:
  - 1. Devolution conference in Eldoret Kshs. 815,000.
  - 2. purchase of accountable documents Kshs. 125,670.
  - 3. Total standing office imprest for accounting officer Kshs. 1,100,000
  - 4. Selection panel for recruitment of member of Bungoma CPSB Kshs. 1,167,000.
  - 5. Selection panel for recruitment of the County Secretary Kshs. 987,240
  - 6. Purchase of kitchen items kshs. 50,000.
  - 7. Facilitation to attend ICPAK training kshs. 59,100
  - 8. Training on customer care and complaints in sub counties Kshs. 576,040
  - 9. Essential counseling skills program for HR Embu Kshs. 62,000
  - 10. To attend workshop in Naivasha Kshs. 99,300
  - 11. Records management course Kshs. 18,600
  - 12. Facilitation to Nairobi Kshs. 66,000
  - 13. Facilitation to attend training kshs. 80,000
  - 14. County records, retention and disposal scheduling exercise Kshs. 400,000
  - 15. Intergovernmental relations symposium Kshs. 122,400
  - 16. Facilitation to attend training in Mombasa Kshs. 284,800
  - 17. Workshop in Naivasha Kshs. 122,400
  - 18. Facilitation to attend county secretaries meeting Kshs.147,600
  - 19. Quarterly consultative meeting Kshs. 216,000

The department submitted that the reasons for unsurrendered imprests ranged from activities having not been concluded by the time the financial statements were being prepared to incomplete documents necessary for surrender. The imprests have since been surrendered save for those officers who have left service but whose gratuities are in the process of being attached for recovery purposes. However, No documentation has been provided to substantiate the status of these imprests funds or confirm their proper surrender and also the legality of attaching ones gratuity is untenable.

Proportion of imprests between County Secretary & County Attorney's office are Kshs.12,497,780 and Kshs: 841,900 respectively.

#### **Pending accounts payables (pending bills)**

The outstanding pending bills for the County Secretary's office as at 30<sup>th</sup> June, 2024 amounted to Kshs. 10,554,287 and it relates to advertising expenses, maintenance of Motor vehicles, air tickets, hotels and supplies. The bills are long overdue as most of them relate to FY 2017/18, 2018/19, 2019/20 and 2021/22. The Committee highlights a significant financial vulnerability stemming from the failure to prioritize and pay the motor vehicle insurance premium for the fiscal year 2022/23. This oversight exposes the organization to substantial financial risk, potentially leaving the department unprotected in the event of an accident, damage, or other unforeseen circumstances involving its vehicle fleet.

The circumstance leading to retention monies declared pending bills were not clear.

Pending bills relating to legal fees of cases finalized and due for payment as at 30<sup>th</sup> June 2024 stands at Kshs. 87,506,576.

#### **Governor's and Deputy Governor's Office**

##### **Mr. Speaker Sir,**

The office of the Governor's and Deputy Governor's had an annual 2<sup>nd</sup> supplementary Recurrent budget of Kshs. 481,068,281 with Kshs. 453,731,698 apportioned to Governor's office and Kshs. 27,336,583 apportioned to Deputy Governor's office.

The budgeted amounts as reported in the Budget Execution by programmes and Sub-Programmes report does not tally with the approved PBB as analyzed below: -

**(a) Per sub-programme**

<b>Details</b>	<b>As Reported in FS</b>	<b>As per approved PBB</b>	<b>Variance</b>
SP 1.3 Feasibility Studies/ advisory services	0	2,000,000	(2,000,000)
SP 1.4 Utilities	0	9,347,663	(9,347,663)
SP 1.5 Operations and other departmental programs	136,299,149	66,451,486	69,847,663
SP 1.7 Salaries and gratuity	237,432,549	228,432,549	9,000,000
SP 2.1 Leadership and Coordination of County Departments and Agencies	41,000,000	20,000,000	21,000,000
SP 3.1 Staff Management Services.	7,000,000	18,750,000	(11,750,000)

SP 3.2 Events Management and Protocol Services.	-	10,500,000	(10,500,000)
SP 3.3 Communication	-	1,750,000	(1,750,000)
SP 3.4 Integrity	-	2,000,000	(2,000,000)
SP 3.5 Intergovernmental relations	-	10,500,000	(10,500,000)
SP 3.6 Special Programmes	-	52,000,000	(52,000,000)
SP 1.2 Operations	22,108,583	20,108,583	2,000,000
SP 1.3 Maintenance	3,900,000	5,900,000	(2,000,000)

The total actual expenditure for the period amounted to Kshs. 460,646,838 representing 96% budget absorption.

Budget execution by programmes and sub-programmes is as shown below: -

With regard to general Administration, planning and support services, the approved allocation was Kshs. 405, 731,698. The department absorbed as highlighted below Kshs. 392,779,530 representing 96.8% budget absorption.

1. Compensation of employees (Salaries & gratuity) had an allocation of Kshs. 228,432,549; the department absorbed Kshs. 228,432,549 representing 100% budget absorption.
2. County budget and economic forum had an approved allocation of Kshs. 3,000,000; the department absorbed Kshs. 3,000,000 representing 100% budget absorption.
3. Public consultative meetings had an approved allocation of Kshs. 15,000,000; the department absorbed Kshs. 15,000,000 representing 100% budget absorption.
4. Feasibility Studies/ advisory services had an approved allocation of Kshs. 2,000,000; with nil absorption although Ksh. 2,000,000 was reported in 2<sup>nd</sup> quarter as spent by SDU to conduct a study on how devolved units are offering services with a report submitted.
5. Operations and other departmental programs had an allocation of Kshs. 136,299,149; the department absorbed Kshs. 132,474,173 representing 97% budget absorption. Kshs 39 million was defended in the 3<sup>rd</sup> quarter as follows:
  - i. Bodaboda Sensitization Kshs2,583,000
  - ii. Devolution conference Kshs. 2,644,900
  - iii. CoB Meeting Kshs. 77,200
  - iv. Facilitation for pre delivery inspection Kshs. 152,300
  - v. Facilitation to attend sector committee's meetings Kshs. 172,200
  - vi. Facilitation to Malaysia Kshs.711,160.00
  - vii. Facilitation to report Writing in Kisumu Kshs.1,519,200.00
  - viii. Facilitation to Walkabout foundation, Nairobi Kshs.166,500.00
  - ix. final dues underpaid to CECM Kshs.2,621,575.00
  - x. Housing benefits former officers Kshs.4,060,000.00
  - xi. LREB Kericho Kshs.74,200.00
  - xii. Lunch allowances Kshs.1,420,000.00
  - xiii. MOU Signing APECK Kshs.32,400.00

6. Under special programmes with an allocation of Kshs.40 million the absorption was Kshs. 23 million as illustrated below:
  1. Facilitation for pre-delivery inspection Ksh. 152,300
  2. Facilitation to devolution Ksh. 73,000.00
  3. Facilitation to capacity building Ksh.3,046,500.00
  4. Standing office imprest Ksh.300,000.00
  5. Supply of fuel services Ksh.982,660.35
  6. Travel to Nairobi Ksh.41,400.00
  7. Supply of fuel services Ksh.786,206.90
  8. Sensitization of firemen Ksh. 987,000.00
  9. Purchase of furniture Ksh.1,995,000.00
  10. Office imprest Ksh. 700,000.00
  11. Supply and delivery of food rations Ksh. 2,780,900.00
  12. Comprehensive insurance for various vehicles Ksh.3,541,575
  13. Wheelchair outreach phase II Kshs. 1,008,300.00
  14. Supply of cleaning material Ksh.299,700.00
  15. Supply and delivery of beddings Ksh.2,942,500.00
  16. Supply and delivery of stationery Ksh.1,989,000.00
  17. Supply and delivery of protocol bedding items Ksh.744,684.00
  18. Supply of fuel services Ksh. 933,620.70
7. Maintenance had an allocation of Kshs. 14,000,000; the department absorbed Kshs. 13,872,643 representing 99% budget absorption.
8. County Executive Committee affairs had an approved allocation of Ksh. 41,000,000; the department absorbed Kshs. 39,558,561 representing 97% budget absorption.
9. Staff Management Services had an allocation of Kshs. 18,750,000; the department absorbed Kshs. 6,500,000 representing 35% budget absorption.

#### **Pending staff receivables (Outstanding Imprests)**

The department had an outstanding imprest amount of Kshs. 9,253,778 against a total of Kshs.74, 564,684 outstanding for the whole county; being a 12% proportion.

Some imprests are beyond the 7 days' limit. The department should ensure compliance of Regulation 93(5 and 6) of PFM Regulation, 2015 on surrendering imprest and also enhance imprest management system.

### **Pending accounts payables (pending bills)**

The outstanding pending bills as at 30<sup>th</sup> June 2024 amounted to Kshs. 5,023,968. Some dates are not clear though there is one pending payment that dates back to FY 2018/2019. This has been analyzed as follows: -

1. Supply of goods Kshs. 949,500
2. Supply of services Kshs. 4,074,468

### **Office of the Deputy Governor**

#### **Mr. Speaker Sir,**

General administration, planning and support services had a supplementary budget of Kshs. 27,336,583; the office absorbed Kshs. 21,808,747 representing 80% budget absorption analyzed as follows: -

Operations had an allocation of Kshs. 22,108,583 with an absorption of Kshs. 21,808,747 representing 108% budget absorption. The activities done are as listed below:

1. LREB consultative meeting Ksh. 209,300.00
2. dialogue for a on teenage pregnancies Ksh. 1,293,000.00
3. Breakfast meeting with MCAÁ spouses Ksh. 396,000.00
4. Standing office imprest Ksh. 700,000.00
5. Anti FGM and early marriage sensitization forum Ksh.1,581,000.00
6. Council of Governors meeting Ksh.453,400.00
7. National Sugar Conference in Kakamega Ksh. 207,900.00
8. Facilitation for attending partners inaugural business summit Ksh. 172,900.00
9. Facilitation to attend Kenya Girl Guides Association Ksh. 170,400.00
10. Facilitation for official duty Ksh. 125,300.00
11. Standing office imprest Ksh. 700,000.00
12. Supply and delivery fuel Ksh. 245,689.65
13. Provision of catering services Ksh. 135,375.00

14. Work-plan stakeholder engagement Ksh. 887,000.00
15. Office operations Ksh. 100,000.00
16. Claim for official duty Ksh.89,400.00
17. Facilitation for application of visa Ksh. 59,716.00
18. Insurance cover Ksh. 1,073,875.00
19. Participation in the African Climate Summit Ksh. 758,000.00
20. Supply of airtime Ksh. 182,000.00
21. Facilitation of 68th session on status of women Ksh. 1,740,000.00
22. Facilitation for professionals in Bungoma County Ksh. 440,000.00
23. Supply and delivery fuel Ksh. 491,379.30
24. Devolution Conference Ksh. 667,800.00
25. Office Operations Ksh.50,000.00
26. Supply and delivery fuel Ksh. 999,900.00
27. Kenya Girl Guides Association launch Ksh. 170,400.00
28. Facilitation to attend partners inaugural business summit Ksh. 172,900.00
29. Kenasa Seminar Facilitation Ksh.361,000.00
30. Facilitation for Sugar Industry Conference in Kakamega Ksh. 207,900.00
31. Facilitation for forum with young women in leadership Ksh.971,000.00
32. Gender based violence forum Ksh.1,262,000.00
33. Stakeholder engagement Ksh.887,000.00
34. Claims for different official duties Ksh. 805,000.00
35. Consultative meeting with coffee farmers in Mt Elgon Ksh.1,989,000.00
36. Facilitation for youth and women sensitization on procurement Ksh.725,000.00
37. Consultative meeting with Civil Society Ksh. 330,000.00

There was no expenditure on Maintenance and Utilities which had allocations of Kshs. 5,900,000 and Kshs. 1,328,000 respectively.

## **CHAPTER THREE**

### **COMMITTEE OBSERVATIONS AND RECOMMENDATIONS**

#### **COMMITTEE OBSERVATIONS**

**Mr. Speaker Sir,**

**The Committee made the following observations;**

1. The misclassification of transactions, as evidenced by the understated and overstated sub-programs, indicates a lack of attention to detail in financial reporting.
2. The failure to prioritize and pay the motor vehicle insurance premium for FY 2022/23 exposes the department to significant financial risk.
3. Considerable amounts have been reported as office standing imprests. Failing to disclose or report expenses incurred under the standing imprest account may result in unauthorized and improper spending.
4. The contract periods were not indicated in the contract agreement documents availed.
5. The expenditures towards Madaraka Day have were not disclosed
6. Some expenditures incurred under special programmes are not special in nature as they fit in the Program Based Budget.
7. Some imprests are beyond the 7 days' limit. The department should ensure compliance of Regulation 93(5 and 6) of PFM Regulation, 2015 on surrendering imprest and also enhance imprest management system.
8. Discrepancies were observed in financial reporting, where some expenses included in the nine-month financial statements were omitted from the annual report, leading to inconsistencies between the two documents.
9. Pending bills relating to legal fees of cases finalized and due for payment as at 30th June 2024 stands at Kshs. 87,506,576.
10. Contractor retention monies have been captured under pending bills

## **COMMITTEE RECOMMENDATIONS**

**Mr. Speaker Sir,**

**The Committee recommends as follows;**

1. The Committee on Finance should look into the performance of the reporting unit under the county treasury and address any challenges they might be facing since misclassifying transactions leads to inaccurate financial statements.
2. The department should prioritize insurance premium payments for both Motor vehicle and medical cover and recognize the importance of insurance coverage in mitigating financial risks and protecting the department's assets and human resource.
3. The office standing imprests should be reviewed and justified to ensure the amounts are commensurate with the intended purpose to address the risk of unauthorized expenses and improper spending
4. The department in collaboration with the Office of the County Attorney should clearly define the contract period in any agreement, along with provisions for renewal, extension, or termination as needed. This provides clarity, predictability, and a framework for both parties to manage their obligations and expectations over the course of the contract.
5. The Chief Officers should prepare a detailed expenditure report on all the expenditures incurred during Madaraka Day Celebrations and submit to the County Assembly 30 days after adoption of this report.
6. Most expenses categorized under special programs would be more appropriately costed within the regular Program-Based Budget (PBB) framework, as they do not meet the criteria for special expenditures.
7. There is need for regular communication and collaboration between the reporting team and the departments to ensure that all necessary information is captured accurately and consistently across different reports.

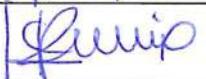
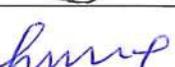
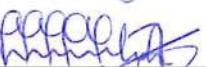
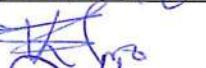
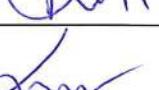
8. Retention funds should be retained and deposited to retention account and paid once due. Failing to retain money in the retention account breaches the contractual terms and may lead to legal disputes with contractors.

9. The Office of the County Attorney should develop a feasible payment schedule through negotiations with the legal providers, enabling the County to settle the outstanding legal fees in increments over a practical timeframe, taking into account the County's financial situation and budgetary limitations. To reduce future legal expenses, the executive branch should minimize outsourcing legal services and instead rely more on the expertise and resources available within the County Attorney's office.

Thank you.

I move.

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. Johnston Ipara	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. Polycarp Kimeta	Member	

**EXPENDITURE REPORT SPECIAL PROGRAMMES VOTE 2211399**

2211399	02-Oct-23	FT23275H6TH	ALBERT WAMALWA	Facilitation for pre-delivery inspection	GVN025	50,800.00
2211399	14-Nov-23	FT2331808QNo	CLEOPHAS WASWA NGULUKHI	Facilitation for pre-delivery inspection	GVN025	31,500.00
2211399	21-Dec-23	FT2335VTLQ	CAREN NASIMIYU WANYONYI	Facilitation for pre-delivery inspection	GVN025	70,000.00
2211399	08-Nov-23	FT23312M438R	Peter Sigak MUDOGO	Facilitation to devolution	GVN015	73,000.00
2211399	27-Dec-23	FT2336101HJ9	Antony Malimba CAREN NASIMIYU	Facilitation to capacity building	GVN4554099	3,046,500.00
2211399	27-Sep-23	FT232700XQSB	WANYONYI	standing office imprest	GVN4613414	300,000.00
2211399	27-Sep-23	FT232708KJ7M	Webmar Investments Limited	supply of fuel services	GVN017	982,660.35
2211399	08-Nov-23	FT23312DJNK7	ALBERT WAMALWA NAMACHANJA	Travel to Nairobi	GVN009	41,400.00
2211399	21-Nov-23	FT23325THN2V	Webmar Investments Limited	supply of fuel services	GVN 047	786,206.90
2211399	02-Nov-23	FT23306ZF8FB	Sheila Mukui ROBMARKS ENTERPRISES	Sensitization of firemen	GVN4613438	987,000.00
2211399	07-Mar-24			PURCHASE OF FURNITURE		1,995,000.00
			Alice Mugodo	OFFICE IMPREST		700,000.00
2211399			EMAT ENTERPRISES	Supply and delivery of food rations		2,780,900.00
2211399			PRUDENTIAL WEST INSURANCE	comprehensive insurance for various vehicles		2,467,700.00
2211399			PRUDENTIAL WEST INSURANCE	comprehensive insurance for various vehicles		1,073,875.00
2211399			Jesse Wamochio	Facilitation for wheelchair outreach PH II		1,008,300.00
2211399			Torben solutions	Supply of cleaning material		299,700.00
2211399			Top origin Enterprises	supply and delivery of Beddings		2,942,500.00
2211399			MONTAVIL CO. LTD	Supply and delivery of Stationery		1,989,000.00
2211399			DEPRINE Holdings Ltd	Supply and delivery of protocol items		744,684.00
2211399	22-Jan-24	FT2402261GZP	Webmar Investments Limited	supply of fuel services	GVN 159	933,620.70
						<b>23,304,346.95</b>