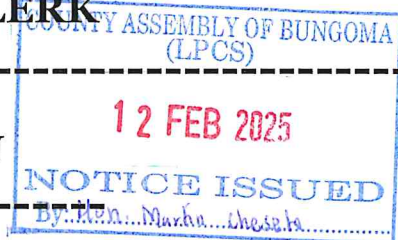


COUNTY GOVERNMENT OF BUNGOMA

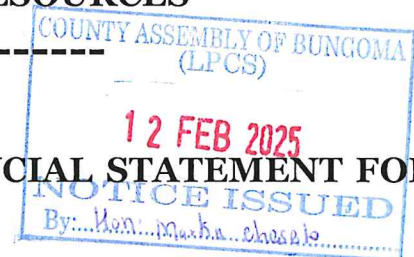


COUNTY ASSEMBLY OF BUNGOMA OFFICE OF THE CLERK

THIRD SESSION



SECTORAL COMMITTEE ON TOURISM, ENVIRONMENT,
WATER AND NATURAL RESOURCES



REPORT ON THE 4TH QUARTER FINANCIAL STATEMENT FOR
FINANCIAL YEAR 2023/2024.

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

DECEMBER, 2024

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1.0 CHAPTER ONE

1.1 Preamble

Hon. Speaker, I present the report by the Committee on Tourism, Environment, Water and Natural Resources for the 3rd and 4th quarter Financial Statements for the Financial Year 2023/2024 for period ended 30th June 2024. The report was tabled in this County Assembly of Bungoma on 16th October 2024 at 9.30 a:m and committed to Committee on Tourism , Environment, Water and Natural Resources for interrogation, input and recommendation through a report to this Honorable House.

The Committee critically analyzed the report and had an engagement with department on 4th November 2024 to clarify on areas of concern.

1.2 The Mandate of the Committee

The Committee on Tourism, Environment, Water and Natural Resources falls under Sectoral Committees whose mandate is derived from Standing Order 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.

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) 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, access 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 recommendation of proposed legislation.

One of the most important features of our Constitutional framework is the requirement of the County Assemblies having the mandate to exercise oversight over their respective County Executives and their organs/departments. Article 185(3) of the Constitution of Kenya, 2010 on legislative authority of County Assemblies state inter-alia that, 'A County Assembly, while respecting the principle of the separation of powers, may

exercise oversight over the County Executive Committee and any other County Executive organs.

1.3 Committee membership

The Committee comprises of the following members;

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

1.4 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 on Committee is given a legal backing under the Constitution of Kenya 2010, Public Finance Management Act, 2012, and County Governments Act, 2012. These statutory provisions include:

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.*

Section 149(1) (a) and (b) of the PFM Act 2012 provides as follows...”an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is;

- a) *Lawful and authorized.*
- b) *Effective, efficient, economical and transparent.*

1. 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”*.

2. Obligations of Accounting Officers

The Public Finance Management Act, 2012 section 166 states as follows;

1. *An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.*
2. *In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report—*
 - (a) *contains information on the financial and nonfinancial performance of the entity;* and
 - (b) *is in a form determined by the Accounting Standards Board.*
3. *Not later, than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.*
4. *Not later than one month after the end of each quarter, the County Treasury shall—*

- (a) consolidate the quarterly reports and submit them to the county assembly;*
- (b) deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and*
- (c) publish and publicize them*

1.5 Acknowledgment

Mr. Speaker,

I take this opportunity to thank all Hon members of the Committee on Tourism, Environment, Water and Natural Resources and secretariat for dedicating their time to interrogate the Tourism, Environment, Water and Natural Resources department's 4th Quarter Financial Statements for the Financial Year 2023/2024 for period ended 30th June 2024 .

Further, this Committee extends its gratitude to the Executive Arm of the County Government, for the role they played in offering explanations and supporting documents as requested by the Committee

Lastly, the Committee is grateful to the offices of the Speaker and the Clerk to the County Assembly of Bungoma for logistical support received as it discharged its mandate.

It is therefore my privilege, on behalf of the Committee on Finance and Economic Planning, to table this report.

Signed.....  Date..... 

Hon. Edwin Opwora

MCA Luhya Bwake Ward.

Chairperson, Sectoral Committee on Tourism, Environment, Water and Natural Resources.

CHAPTER TWO

2.1 Department Tourism, Environment, Water and Natural Resources expenditure analysis

2.1.1 Tourism and Environment

- The department of **Tourism and Environment** had an approved 2nd supplementary budget of **Kshs.778,717,153** comprising of **Kshs.377,935,209** recurrent and **Kshs.400,781,943** for Development expenditure programmes.
- At the end of period under review the total expenditure was **ksh. 387,073,143**. Recurrent expenditure was **ksh. 358,373,688** and development of **ksh.28,699,454**.
- The absorption for the department in the period under review was **ksh. 387,073,143** representing 50% of the total budget way below 100% as demonstrated in the table below;

No.	Programme	Budget allocation	Expenditure	Balance	Absorption rate%
1.	Human resource management	27,782,306	22,650,871	5,131,435	82%
2.	Policy and legal framework	-	-	-	-
3.	Planning and support services	7,676,864	6,489,634	1,187,230	85%
4.	Dumpsite management	-	-	-	-
5.	Waste management and control	320,365,154	320,559,337	(194,183)	101%
6.	Climate change resilience investment grant	320,781,943	28,699,454	292,082,489	9%

7.	Climate change fund	80,000,000	-	80,000,000	0%
8.	Climate change institutional support grant	22,110,885	8,673,847	13,437,038	39%
9.	County Tourism art and cultural festival	-	-	-	-
	Total	778,717,152	387,073,143	391,644,009	50%

- ❖ The Outstanding imprest for the department stood at **ksh.2,240,300.** with no reason given during interrogation for non-surrender.
- ❖ The imprest was for the department of Tourism and Environment hence Water and natural resource had no outstanding imprest.
- ❖ The Imprest holders were singled out as follows:
 1. Zippy Khisa Ksh 202,400
 2. Nebert Rotich Ksh 759,000
 3. Brian Wamalwa Ksh 1,278,900
- The pending bills for the department is **ksh.8,546,033.15** and the department availed supporting documents to proof the case.

2.1.2 Water and Natural resource

- The department of Water and Natural resources had an approved 2nd supplementary budget of **Kshs.271,247,394** comprising of **Kshs.63,605,249** recurrent and **Kshs.207,642,145** for Development expenditure programmes.

- At the end of period under review the total expenditure was ksh **247,351,479**. Recurrent expenditure was **ksh. 55,006,202** and development of **ksh.192,345,277**.
- The absorption for the department in the period under review is **ksh. 247,351,479** representing 91% of the total budget as shown in the table below:

No.	Programme	Budget allocation	Expenditure	Balance	Absorption rate%
1.	Human recourse management	36,272,013	29,565,566	6,706,447	82%
2.	Planning and support services	41,333,237	39,148,460	2,184,777	95%
2	Rig policy	-	-	-	-
3	Borehole development	6,810,745	3,887,991	2,922,754	57%
4	Project supervision	-	-	-	-
5	KOICA counterpart funding	20,000,000	18,682,731	1,317,269	93%
6	Ward based projects	166,831,400	156,066,731	10,764,669	94%
	Total	271,247,395	247,351,479	23,895,916	91%

- The department had no outstanding imprest as per the financial statement report.
- The department had pending bills as per the financial report totaling to **Kshs 22,728,116.40** and evidence was provided to support the case during interrogation on 4th November 2024.
- The department was allocated ksh. 14,000,000 towards pending bills and a list to was provided to support this during interrogation.

CHAPTER THREE

2.1 Committee Observation and Recommendations

2.1.1 Observations.

1. In the period under review department's compensation of employee's absorption rate was too low due to late confirmation of staff on contract to permanent and pensionable which was done later.
2. Outstanding imprest for the department of Tourism and Environment was **ksh.2,240,300.**
3. The department of water and Natural resources had no outstanding imprest.
4. The department had pending bill of ksh. 22,728,116.40 in the report that was submitted to the house, during the interrogation the department submitted that the pending bill for the department of Water and Natural resources was **ksh.150m**
5. The pending bill for the department of Tourism and Environment was ksh.8,546,033.15 from the submitted consolidated financial statements, the department submitted that the department had no pending bill.
6. Borehole development with an approved allocation of ksh.6,810,745 reported a low absorption of ksh. 3,887,991, it is due to late disbursement and the planned boreholes were not done as planned by the department.
7. Climate change resilience investment grant and Climate change institutional support grant reported a low absorption rate, the department submitted that this is due to late disbursement of funds from the development partner and the co-funding.
8. The department never utilized the allocation meant for utilities (water bills with an allocation of ksh. 57,600 and electricity bills of ksh. 220,800).
9. The department only reported noise permit as its revenue stream leaving out other revenue streams such as conservancy fees.


2.1.2 Recommendations

1. **THAT**, the department should give priority to compensation of employees when it comes to budgeting and clear projection while budgeting for this should be embraced.
2. **THAT**, the department should ensure compliance of **Regulation 93(5 and 6 of PFM Regulation, 2015** on surrendering of 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 'and the Chief Officer in department with outstanding imprest beyond stipulated timeframe should be held responsible and should put in place measures to recover 14 days after adoption of this report.
3. **THAT**, the department should give pending bills first charge during budgeting and sufficient fund should be allocated towards clearing pending bills in the next budget.
4. **THAT**, the department should fast-track procurement processes to allow implementation of the budget.
5. **THAT**, the department should ensure upon exchequer release of co-founding allocations to the (SPA) Special Purpose Account is fully utilized to enable development partners honour their obligation timely.
6. **THAT**, the County Executive Committee member of Tourism, Environment, Water and Natural Resource should from the next budget ensure that budgets for Utilities and programmes are fully executed.
7. **THAT**, the Chief Officers in the department should urgently seek guidance and sensitized on the departments revenue streams by Receiver of Revenue in their respective departments since they have targets to collect in the current FY 2024/2025 budget and develop strategies to collect the same to meet the target.

Adoption Schedule

Mr. Speaker sir,

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

No.	Name	Designation	Signature
1.	Hon. Edwin Opwora	Chairperson	
2.	Hon. Martin Chemorion	Vice chairperson	
3.	Hon. Joseph Nongesa	Member	
4.	Hon. Anthony Luseneka	Member	
5.	Hon. Meshack Simiyu	Member	
6.	Hon. Miliyah Masungu	Member	
7.	Hon. Sudi Busolo	Member	
8.	Hon. Vitalis Wangila	Member	
9.	Hon. James Mukhongo	Member	
10.	Hon. Aggrey Mulongo	Member	
11.	Hon. Jack Kawa	Member	
12.	Hon. Orize Kundu	Member	
13.	Hon. Benard Kikechi	Member	
14.	Hon. George Tendet	Member	
15.	Hon. Benjamin Otsiula	Member	

Annexures,

1. Consolidated financial statement for the period ending 30th June 2024.
2. Adoption Minutes