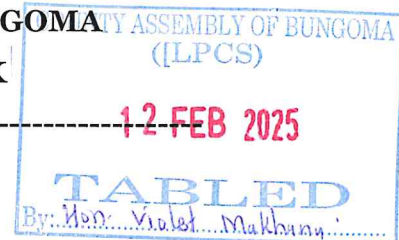


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**COUNTY GOVERNMENT OF BUNGOMA**



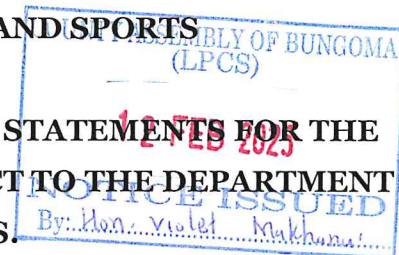
**COUNTY ASSEMBLY OF BUNGOMA (LPCS)**  
**OFFICE OF THE CLERK**



THIRD ASSEMBLY  
THIRD SESSION

**COMMITTEE ON YOUTH AFFAIRS AND SPORTS (LPCS)**

**REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 30<sup>TH</sup> JUNE 2024 WITH RESPECT TO THE DEPARTMENT  
OF YOUTH AND SPORTS.**



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

**DECEMBER, 2024**

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## CHAPTER ONE

### 1.0 Preamble

**Mr. Speaker,**

It is my duty to present the report by the Committee on Youth Affairs and Sports on the Consolidated Financial Statements for the Financial Year 2023/2024 for period ended 30<sup>th</sup> June, 2024. The Quarterly Financial Statements was tabled in this County Assembly of Bungoma on 16<sup>th</sup> October 2024 and stood committed to all Sectoral Committees for their interrogation, input and recommendation through a report to this Honorable House.

### 1.1 The Mandate of the Committee

**Mr. Speaker,**

The Committee on Youth Affairs and Sports 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 to 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.

## **1.2 COMMITTEE MEMBERSHIP**

**Mr. Speaker,**

The Committee comprises of the following members;

- |     |                        |               |
|-----|------------------------|---------------|
| 1.  | Hon. Violet Makhanu    | Chairperson   |
| 2.  | Hon. Grace Sundukwa    | V/Chairperson |
| 3.  | Hon. Timothy Chikati   | Member        |
| 4.  | Hon. Mukoyandali Job   | Member        |
| 5.  | Hon. Cornelius Makhanu | Member        |
| 6.  | Hon. Charles Nangulu   | Member        |
| 7.  | Hon. Allan Nyongesa    | Member        |
| 8.  | Hon. Caleb Wanjala     | Member        |
| 9.  | Hon. Idd Owongo        | Member        |
| 10. | Hon. Catherine Kituyi  | Member        |
| 11. | Hon. Jacob Psero       | Member        |
| 12. | Hon. Francis Chemion   | Member        |
| 13. | Hon. Abraham Obama     | Member        |

- |     |                       |        |
|-----|-----------------------|--------|
| 14. | Hon. Martin Chemorion | Member |
| 15. | Hon. George Tendet    | Member |

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

**Mr. Speaker,**

In the execution of its mandate, the Committee on Youth Affairs and Sports 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:

#### **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: *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*

#### **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 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*

#### **1.4 Acknowledgment**

**Mr. Speaker,**

I take this opportunity to thank all Hon members of the Committee for dedicating their time to interrogate the Youth and Sports department Financial Statements for the period ended 30<sup>th</sup> June, 2024. The Committee would also like to appreciate the Secretariat who worked with us for their commitment. Lastly, the Committee is grateful to the offices of the Speaker and the office of 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 Youth Affairs and Sports, to table the Report on the 4<sup>th</sup> Quarter Financial Statements of the department of Youth and Sports in Bungoma County for the Financial Year 2022/2023 for the period ended 30<sup>th</sup> June 2024.

Signed.......... Date.....07/02/25.....

**Hon. Violet Makhanu**

**MCA. Mihuu Ward.**

**Chairperson, Sectoral Committee on Youth Affairs and Sports.**

## **CHAPTER TWO**

### **2.1 REVENUE**

**Mr. Speaker,**

The department had an initial budgetary allocation of Kshs.124, 782,899; this was adjusted upwards to Kshs.174,475,401 during the 2nd supplementary budget. composed of Kshs.25,491,075 recurrent, Kshs.29,684,326 Youth Fund and Kshs.119,300,000 development.

### **2.2 EXPENDITURE**

**Mr. Speaker,**

During the period ended June 2024, Kshs.139,245,182 was received which is 80% absorption of the budget .Kshs.117,942,264 was received towards development projects and Kshs.21,302,918 towards recurrent expenditure.

1. **Under General Administration, Planning and support services,** Kshs.25, 302,916 was received against an allocation of Kshs.29, 491,075 which is 86% absorption. Kshs.21, 302,918 went to recurrent expenditure while Kshs.3,999,998 toward development.

Major expenses were on the following:

- i. Compensation to employees Kshs.10,383,008 against a budget of Kshs.13,331,452 which is 78% absorption. Total salary for 12 months is Kshs.12,111,184,the balance of Kshs.1,220,268 could not be explained.
- ii. Planning and budgeting with an allocation of Kshs.830, 126 and utility for office operation with an allocation of Kshs.520,000 had no expenditure in the period, yet the department confirms electricity and water bills were paid.
- iii. Administrative service management allocated Kshs.14,809,497 received Kshs.14,919,908 which is 101% absorption. Kshs.3,999,998 was for supplier credit.



**2. Sports and Talent Development** allocated Kshs.98m received Kshs.87, 990,937 which is 90% absorption

The major expenses were:

- i. Construction of Masinde Muliro stadium phase 1 Kshs.74,677,585 was received against an allocation of Kshs.76m, which is 98% absorption.
- ii. Completion and equipping of phase I and II of High Altitude Centre Kshs.13,313,352 was received against a budgetary allocation of Kshs.22m. 61%
- iii. Boards and committees allocated Kshs.300,000 had no expenditure in the period.

Point to note:

- The financial statements have given a total of Kshs.74,677,585 as being payment towards Masinde Muliro stadium during the period, but records from the department indicate that out of the total sum, only Kshs.56,744,155 was paid towards the stadium, below is a breakdown of the total expenditure. It is worth noting that money appropriated from the stadium was diverted to pay for expenses budgeted under the department of Gender, these include construction of Sang'alo multipurpose hall, supply of tailoring equipment to Sang'alo and Ndalul resource centres. Payment relating to Maeni Youth Empowerment centres amounting to Kshs.2, 625,336 that were not in the budget as listed on the table below.

Allocation for the stadium			
Likifa (K)Ltd	Maeni youth empowerment Centre	1,666,282	Not on budget
Besimu Enterprises Ltd	supply of tailoring equipment to Ndalul resource Centre	958,513	Budget under Gender
Luson General supply	supply of tailoring equipment to Sang'alo resource Centre	844,641	Budget under Gender
Pasis	Construction of Sang'alo multipurpose hall	13,504,938	Budget under Gender
Amonge enterprises Ltd	Maeni youth empowerment Centre	959,054	Not on budget



Lunao Enterprises	Masinde Muliro stadium	56,744,155	
<b>Total</b>		<b>74,677,583</b>	

On completion and equipping of phase 1 and 11 of High Altitude Centre, Kshs.13, 313,352 was received against a budgetary allocation of Kshs.22m. (61%) Out of the amount received, only Kshs.450,611 was paid to KPLC for electricity in relation to the High Altitude Training Centre. Kshs.8.9m of the money was utilized on Masinde Muliro Stadium, Kshs.2.5m on Mbakalo Stadium phase II, Kshs.915,582 on Mbakalo stadium phase 1, Kshs. 536,854 to KPLC for Maeni Youth Empowerment Centre

Allocation for the stadium			
KPLC	Power to High Altitude Centre	450,611	Not on budget
KPLC	Power to Maeni Youth Centre	536,854	Not on budget
Lilan's Link supplies Ltd	supply of tailoring equipment to Sang'alo resource Centre	914,582	Not on budget
Lunao Enterprises	Masinde Muliro stadium	8,911,305	Not on budget
Gaspas Enterprises	construction of Mbakalu stadium phase 2	2,500,000	Not on budget
<b>Total</b>		<b>13,313,352</b>	

**3. Sports and talent development programme** with an allocation of Kshs.46, 984, 326, received Kshs.25,951,328 which represents 55% absorption.

Expenses under the program were

- i. Sports facility development and management with a budgetary allocation of Kshs.17.3m received no money in the period to finance the activity.
- ii. Youth Empowerment fund allocated Kshs.29,684,326 received Kshs.25,951,328, 87% absorption. This money was reallocated towards Masinde Muliro stadium contrary to PFM Act 2012 section 154. There is no proof that the reallocation was

done in writing by the CECM Finance and the reallocated funds exceed the allowable 10%.

**Point to note:**

According to information provided, a total of Kshs. 111,606,788 was channeled towards the Masinde Muliro Stadium during the period under review, however, the department could not give the correct position of total amount paid so far and the outstanding balance to be paid.

<b>SOURCE OF FUNDS</b>	<b>AMOUNT</b>
High Altitude	8,911,305
Youth empowerment fund	25,951,328
Masinde Muliro allocation	56,744,155
Women and disability fund	20,000,000
<b>Total</b>	<b>111,606,788</b>

### **2.3 ACCOUNTS PAYABLE**

**Mr. Speaker,**

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1, 244,506,681. Kshs. 314,030,609 was paid during the period leaving a balance of Kshs. 930,476,072.

According to records from the department, the outstanding pending bills amount to Kshs.97, 398,010,with Kshs.72,967,440 relating to Masinde Muliro stadium.

**Point to note:**

According to documents availed to the committee, certificates issued do not add up to the revised amount of Kshs.807,464, 800. Total amount paid as at October 2024 is Kshs.759,763,622,this means the outstanding balance is Kshs.47,701,177 and not Kshs.72,967,439,since an amount of Kshs.25,266,261 has been paid out towards retention amount

Certificate No.4 has an amount of Kshs.37, 997,220 and not the Kshs.64, 323,655.21 as quoted.

Certificates No.11, 12 and 13 were not availed

<b>Date of invoice</b>	<b>Certificate</b>	<b>Amount per certificate</b>	<b>payment inclusive VAT</b>
14/10/2019	Certificate No.1	69,140,663.00	69,140,663.00
23/03/2020	Certificate No.2	37,336,272.23	29,000,000.00
30/06/2020	Certificate No.3	77,517,087.73	46,000,000.00
19/10/2020	Certificate No.2&3		36,000,000.00
22/10/2020	Certificate No.4	37,997,220.00	37,997,219.65
1/12/2020	Certificate No.4		26,326,435.56
1/3/2021	Certificate No.5	55,632,878.48	43,000,000.00
1/6/2021	Certificate No.6	75,786,479.52	72,000,000.00
15/11/2021	Certificate No.5 &6		16,419,358.00
7/12/2021	Certificate No.7	125,934,966.00	125,934,966.73
21/02/2022	Certificate No.8	79,905,309.63	79,905,309.63
9/6/2023	Certificate No.9	37,780,232.24	37,780,232.24
28/8/2023	Certificate No.10	33,011,303.20	33,011,303.20
30/04/2024	Certificate No.11	20,438,806.00	-
13/05/2024	Certificate No.12	19,095,485.75	19,095,485.75
15/05/2024	Certificate No.13	52,898,177.32	39,500,000.00
22/5/2024	Certificate No.14	48,135,339.67	23,386,387.00
	<b>TOTAL</b>	<b>770,610,220.77</b>	<b>734,497,360.76</b>
	Retention	71,111,097.38	25,266,261.80
	<b>TOTAL GROSS PAYMENT AS AT JUNE 2024</b>		<b>759,763,622.56</b>
	<b>REVISED AMOUNT</b>		<b>807,464,800.00</b>
		<b>BALANCE</b>	<b>47,701,177.44</b>

## 2.4 ACCOUNTS RECEIVABLES.

Mr. Speaker,

The Department of Youth and Sports had no unsurrendered imprest during the period under review.

## **CHAPTER THREE**

### **3.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS**

#### **3.1 Committee General Observations**

**Mr. Speaker,**

The committee made the following observations

1. The department could not justify a balance on the salary vote of Kshs.1,138,604
2. Planning and budgeting with an allocation of Kshs.1.3m had no expenditure in the period under review.
3. Utility for office operation with an allocation of Kshs.520,000 had no expenditure in the period yet according to the department electricity bills were paid
4. According to the Financial Statements, a total of Kshs.120,628,913 was spent on Masinde Muliro stadium during the period broken down as follows:
  - i. Kshs.74,677,585 from Masinde Muliro vote ,
  - ii. Kshs.20m from women and disability fund and
  - iii. Kshs.25, 951,328 from Youth Empowerment Fund.

While documents provided by the department indicate Kshs.111, 606,788 was paid out. With this difference in figures given, it is difficult to ascertain the accurate figure of pending bills towards the stadium.

- i. Masinde Muliro vote Kshs.56,744,155
  - ii. Youth Empowerment fund Kshs.25,951,328
  - iii. Economic items Kshs.8, 911,304.75
  - iv. Women and disability funds Kshs.20m
5. Money was moved around between the department of Youth and Sports and Gender in total disregard of the required 10% reallocation by law. Section 43(2)(c) of the Public Finance Management Act, 2012 of Kenya.

### **3.2 Committee Recommendations**

**Mr. Speaker,**

The following recommendations were made by the Committee

1. **THAT**, the department should consult with the Assembly before moving moneys allocated in the budget as required by Section 43(2)(c) of the Public Finance Management Act, 2012 of Kenya.
2. **THAT**, the department should have a work plan and comply with the allocations as per the budget to ensure that there is no misappropriation of funds to programs that are not on the budget.
3. **THAT**, the department should ensure accurate reporting on Masinde Muliro to avoid inaccuracies in payments.

## ADOPTION SCHEDULE

**Hon. Speaker,**

We the undersigned Members of the Youth Affairs and Sports Committee do adopt the report and the contents therein

1.	Hon. Violet Makhanu	Chairperson	
2.	Hon. Grace Sundukwa	V/Chairperson	
3.	Hon. Timothy Chikati	Member	
4.	Hon. Cornelius Makhanu	Member	
5.	Hon. Charles Nangulu	Member	
6.	Hon. Allan Nyongesa	Member	
7.	Hon. Caleb Wanjala	Member	
8.	Hon. Idd Owongo	Member	
9.	Hon. Catherine Kituyi	Member	
10.	Hon. George Tendet	Member	
11.	Hon. Jacob Psero	Member	
12.	Hon. Abraham Obama	Member	
13.	Hon. Martin Chemorion	Member	
14.	Hon. Job Mukoyandali	Member	
15.	Hon. Francis Chemion	Member	

**MINUTES OF THE YOUTH AFFAIRS AND SPORTS COMMITTEE HELD ON  
SATURDAY 7<sup>th</sup> DECEMBER 2024 IN VICTORIA COMFORT HOTEL FROM  
2:00 P.M.**

**MEMBERS PRESENT**

1.	Hon. Violet Makhanu	Chairperson
2.	Hon. Grace Sundukwa	V/Chairperson
3.	Hon. Timothy Chikati	Member
4.	Hon. Mukoyandali Job	Member
5.	Hon. Cornelius Makhanu	Member
6.	Hon. Charles Nangulu	Member
7.	Hon. Allan Nyongesa	Member
8.	Hon. Caleb Wanjala	Member
9.	Hon. Idd Owongo	Member
10.	Hon. Catherine Kituyi	Member
11.	Hon. Jacob Psero	Member
12.	Hon. Francis Chemion	Member
13.	Hon. Abraham Obama	Member
14.	Hon. Martin Chemorion	Member
15.	Hon. George Tendet	Member

**SECRETARIAT**

1.	Wechuli W. Mike	- Clerk Assistant
2.	John Muchungi	- Hansard Officer
3.	Cyrus Marakalu	- Serjeant-at-Arms

**Agenda:**

1. Preliminaries.
  - i. Prayer.
  - ii. Adoption of Agenda
2. Communication from the Chair.



3. Adoption of Report on Consolidated Financial Statements

**MIN/YASC/01/07/12/2024: PRELIMINARIES**

**i. Prayer**

The meeting was called to order at 2:03 P.M and the prayer was said by the Chairperson Hon. Violet Makhanu.

**ii. Adoption of the Agenda**

On proposal by Hon. Charles Nangulu and secondment by Hon Catherine Kituyia, the agenda was adopted without amendments.

**MIN/YASC/02/07/12/2024: COMMUNICATION FROM THE CHAIR.**

The chairperson thanked all the Hon members who honored the notice

**MIN/YASC/03/07/12/2024: ADOPTION OF REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS REPORT.**

The committee having considered the observations and recommendations, the report was unanimously adopted with the contents therein.

**MIN/YASC/04/07/12/2024: ADJOURNMENT.**

There being no other business, the meeting was adjourned at 3:47 P.M and the next meeting would be upon notice.

**CONFIRMATION**

**CONFIRMED BY:**

**Committee Clerk**

**Name: Wechuli W. Mike**

SIGN.....

DATE.....17/12/24

**Chairperson**

**Name: Hon. Violet Makhanu**

SIGN.....

DATE.....17/12/24