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COUNTY GOVERNMENT OF BUNGOMA

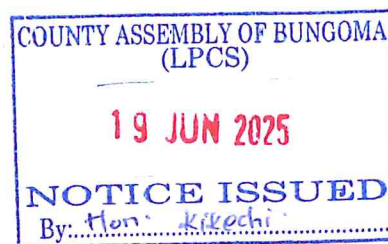


COUNTY ASSEMBLY OF BUNGOMA
OFFICE OF THE CLERK

THIRD ASSEMBLY
FOURTH SESSION

TRADE, ENERGY AND INDUSTRIALIZATION COMMITTEE

REPORT ON IMPLEMENTATION OF HOUSE RESOLUTIONS FOR FY
2022/2023



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

MAY, 2025

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CHAPTER ONE

1.0 Preamble

Mr. Speaker,

The purpose of this report is to assess the extent to which the department has implemented the House resolutions. These House resolutions were adopted and forwarded to the County Executive Committee Member in accordance with Standing Order 205. The Committee invited the department to appear before it within the precincts of the County Assembly of Bungoma, via a letter referenced CAB/ADM/6VOL.V (93). The Committee conducted its interrogation on 13th May, 2025 at 9:00 a.m. and thereafter compiled a report for consideration by this honorable House.

It is therefore my duty to present the report of the Committee on Trade, Energy, and Industrialization on the House resolutions on the following reports:

1. The report on the Status of Trade Loans in Bungoma County, adopted on 26th April 2023
2. The report on the Assessment of Streetlights in Bungoma County as at September 2023, adopted by the House on 2nd November, 2023
3. The report on the Bungoma County Government Financial Statements for the period ended 31st March 2023, adopted on 20th September 2023.

1.1 The Mandate of the Committee

Hon. Speaker,

The Trade, Energy and Industrialization committee was established on 26th October; 2022 in accordance with the Standing Order No.179.

The mandate of the Committee is derived from the 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 of Kenya, 2010.

The functions of a Sectoral Committee shall be to;-

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- (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

1.2 Committee Membership

The following is the committee membership as currently constituted;

1. Hon. Benard Kikechi	Chairperson
2. Hon. Joan Kirong	Member
3. Hon. Milliah Masungu	Member
4. Hon. Kimeta Polycarp	Member
5. Hon. Jack Wambulwa	Member
6. Hon. Alfred Mukhanya	Member
7. Hon. Ali Machani	Member
8. Hon. Charles Nangulu	Member
9. Hon. Kennedy Wanyama	Member
10. Hon. Moureen Wafula	Member
11. Hon. Angeline Rugut	Member
12. Hon. Bosire Aggrey	Member
13. Hon. Bridgit Katasi	Member

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- | | |
|-------------------------|--------|
| 14. Hon. Alice Kibaba | Member |
| 15. Hon. Linda Kharakha | Member |

1.3 Legal Framework on County Assembly Authority on House resolutions

Hon. Speaker,

In the execution of its mandate, the Committee on Trade, Energy & Industrialization is given a legal backing under the Constitution of Kenya 2010, the County Governments Act, 2012, and the County Assembly of Bungoma Standing Orders. These statutory provisions include:

1. Constitutional provision on Legislative authority of County Assemblies Constitution

Article 185 of the Constitution of Kenya, 2010 outlines the Legislative authority of a County Assembly and states that “...*legislative authority of a county is vested in, and exercised by, its county assembly....*” The article goes on to specify in article 185 (3) 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.*

Obligations of Accounting Officers

The County Government Act, 2012 section 39 goes further and provides for the Accountability of members of the executive committee to the extent that they are individually and collectively accountable in the exercise of their powers and performance of their duties and responsibilities. Section 39 (2) provides that;

(2) A committee of the county assembly may require a member of the executive committee to—

(a) attend or appear before the committee; and

(b) answer any question relating to the member’s responsibilities.

3. Standing Orders provisions on County Assembly Resolutions

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The County Assembly of Bungoma Standing Orders provides for transmission and feedback mechanisms on House resolutions to the relevant entities responsible for implementation of such resolutions and it states as follows. Standing Order 205 states that;

(1) The Clerk shall, within seven days of a resolution of the House or adoption of a report of a Select Committee, convey the resolution and where applicable, a copy of the report, to the relevant County Executive Committee Member, independent Commission or holder of a Statutory Body under whose portfolio the implementation of the resolution falls.

(2) Within sixty days of a resolution of the House or adoption of a report of a Select Committee, the relevant County Executive Committee Member under whose portfolio the implementation of the resolution falls, shall provide a report to the relevant Committee of the County Assembly in accordance with Article 183 (3) of the Constitution.

1.4 Acknowledgement

On behalf of the Committee, I wish to sincerely appreciate the office of the Speaker and that of the Clerk of the County Assembly for the willingness to facilitate the Committee during its assignment.

I also acknowledge the Honourable Members for their time, insights and team work. Their dedication, active participation and commitment played a crucial role in the successful execution of this assignment. I also commend the secretariat for their utmost devotion towards the compilation of this report. I further do confirm that the recommendations of the Committee in this report were unanimous.

It is therefore my pleasant privilege and honour to present to this House the report of the Committee on Trade, Energy and Industrialization on the implementation of House resolutions.

SIGNATURE..... *K. Kikechi* DATE..... *11/06/2025*

HON .BENARD KIKECHI-MCA MBAKALO WARD.

CHAIRPERSON, TRADE, ENERGY & INDUSTRIALIZATION COMMITTEE

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CHAPTER TWO

2.1 Reports presented on House resolutions

Hon. Speaker,

The committee considered the following reports that were approved by the House and their resolutions forwarded to the department for further action.

1. Report on the Status of Trade Loans in Bungoma County

The Committee undertook an inquiry into the accessibility, utilization, and performance of trade loans issued by the County Government to local traders. The report presented findings on the management of the loan fund, identified challenges such as repayment rates and accessibility, and provided actionable recommendations to enhance loan administration and transparency as adopted by the House on 26th April, 2023.

2. Report on the Assessment of Streetlights in Bungoma County as at September 2023.

The Committee assessed the status of public lighting infrastructure across various Sub-counties. Key focus areas included functionality, maintenance, energy sources, and geographical distribution. The report highlighted gaps in maintenance, areas lacking coverage, and proposed a phased strategy for upgrading and expanding the street lighting network. The report was adopted on 2nd November 2023.

3. Report on the Bungoma County Government Financial Statements for the Period Ended 31st March 2023

This report analyzed the financial performance of the Trade, Energy and Industrialization sectors within the County's budget. It evaluated the fund absorption, budget implementation status, and compliance with financial regulations. Recommendations included improved fiscal planning, prioritization of key projects, and strengthening internal audit mechanisms. The report was adopted on 20th September 2023.

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2.2 Interrogation of the House Resolutions

2.2.1 Report on assessment of streetlights in Bungoma County as at September, 2023

The committee carried a fact finding exercise on the status of street lighting across the County. The resolutions passed by the House were as follows:

THAT the department should:

- a) Formulate repair and maintenance (framework/policy) for County streetlights.

Departmental Response

The Department submitted that it does not currently have a policy in place for streetlight installation and maintenance. However, the CECM, highlighted that a policy technical working group comprising eleven members had been formed and is expected to develop relevant policies by August, 2025.

Implementation status: Not implemented.

Justification: The CECM cited budgetary constraints as a major hindrance.

- b) Develop an inventory of the number, location, and status of all streetlights within the County.

Departmental Response:

The department provided a list of street light metres and account numbers specifying their location. However, an inventory of solar street lights was not provided.

Implementation status: Partially implemented. (see annexure I).

- c) Allocate more budget funding for installation and maintenance of additional market streetlights.

Departmental Response

The Department was unable to increase allocations for additional market streetlight installation due to departmental budget ceilings.

Implementation status: Not implemented.

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Justification: Budgetary constraints

2. The department should focus on installing solar-powered streetlights due to sustainability and avoidance of Kenya Power bills.

Departmental Response

The Department highlighted that is considering electricity-powered floodlights instead of solar-powered ones due to their six-year durability, which is viewed as a cost-saving measure thus reducing the frequency of maintenance.

Implementation status: Not implemented.

Justification

The department highlighted the solar powered street lights are costly to maintain, prone to vandalism and their batteries are less durable since they are easily affected by moisture especially during rainy seasons.

3. Develop market infrastructure and install streetlights in rural centers and markets to promote business and increase County revenue.

Departmental Response

The department had not implemented the resolution.

Status of implementation: Not implemented.

Justification: Budgetary constraints

4. Devolve management and repair of streetlights to sub-county levels and empower market management committees. Require monthly reporting from committees.

Departmental Response

The Department has not taken any measures to empower market management committees for oversight or vandalism prevention. However, they assured the committee that within two months, policies will be developed to support implementation of this recommendation.

Status of implementation: Not implemented

Justification: There was no policy in place

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Committee Observations

Hon. Speaker,

The committee observed the following:

1. The Department of Trade has no existing policy on streetlight installation and maintenance, although a policy technical working group has been formed with a projected output timeline of August 2025. This indicates a significant policy gap in streetlight infrastructure management.
2. The executive cited budget ceilings as a constraint preventing increased funding for streetlight installation and maintenance. This suggests that street lighting is not prioritized within the County's fiscal planning.
3. Failure to Respond to Key Recommendations like developing an inventory of streetlights, and Expanding street lighting to rural centers received no direct response, indicating either oversight or a lack of planning and capacity.
4. The Department acknowledges it has not empowered market management committees, nor has it devolved repair and oversight to the sub-county level, as recommended. Promised future action in two months lacks concrete implementation timelines or resource backing.
5. Most of the executive responses reflect plans for future actions rather than evidence of ongoing implementation, showing a reactive approach to governance and service delivery.

2.2.2 Report on the status of Trade Loans in Bungoma County

With regard to the aforementioned report, the House resolved as follows:

THAT,

1. The department **MUST** fast track the process of gazettelement of the Trade Loan regulations to ensure there's a legal framework to operationalize the fund prior to disbursement of funds.

Departmental Response

The process of establishing the County Trade Development Loan Fund Regulations was finalized, and the regulations were gazetted on 25th September, 2023. (annexure III).

Status of implementation: Implemented.

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2. Develop a proper record management system to enhance accountability and transparency.

Departmental Response:

The loan management system has been automated, but the department has not been able to pay annual software assurance for the last 5 years due to fund dormancy. This has limited access to the system. However, the vendor has been engaged to discuss payment modalities and system updates to ensure efficiency.

Status of implementation: Partially implemented

Justification: Budgetary constraints

3. Submit quarterly reports on Trade Loan Fund to the County Assembly.

Departmental Response

The department was fully compliant with reporting requirements and has been preparing and submitting all quarterly and annual financial statements to the relevant bodies.

Status of implementation: Implemented

4. The department MUST send demand letters to the county staff in default and institute recovery measures as per the HR guidelines and the regulations. In addition, the department should review the credit policy on loan application, vetting, appraisal and loan recovery. Members of staff should equally be barred from benefitting from this scheme to avoid conflict of interest and further a clear interpretation of an applicant be spelt out in the Trade Loans regulations.

Departmental Response

Demand notices were issued to all defaulters. However, recovery has been a challenge. Check-off recovery from staff was effected following CHRAC's resolution, with a total recovered amount of KES 2,346,254.00 from August 2024 to February, 2025 as follows:

Month	Amount (KES)
August	416,938.00
September	378,779.00
October	355,760.00
November	338,508.00
December	325,511.00

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January	270,040.00
February	260,718.00
Total	2,346,254.00

A list of recovery from staff beneficiaries is attached to this report. **(See annexure. IV)**

5. Comply with advisories from the Controller of Budget and Auditor General for fund sustainability.

Departmental Response:

The department confirms adherence to the advisory, has submitted all supporting documentation (budgets, statements, vouchers), and engaged both internal and external auditors. Despite exceeding the 3% administrative cost cap, no irregularity was flagged by auditors, though the department acknowledges the need to control administrative expenses. The Department did submit bank balances and expenditures through financial statements.

Implementation status: Implemented.

6. Comply with the Public Finance Management Act, 2012, and ensure MSMEs benefit across the county.

Departmental Response

A loan repayment platform is in place using Paybill No. 494855, with the ID number as the account. Challenges in system maintenance stem from unpaid software assurance fees and internet costs.

Evidence of Implementation; Implemented

7. Improve on sensitization and trainings of the public/ beneficiaries on the importance of the revolving funds, how to access it, the purpose of the loan as well as the need for loan repayment. The trainings MUST be done prior to the programme rollout.

Departmental Response

To support MSMEs, the department has partnered with Kenya Institute of Business Studies and Equity Foundation for training and sensitization, though funding constraints affects logistics like venue hire, facilitators, and materials.

Implementation status: Partially implemented

Justification: Budgetary constraints.

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8. Capacity-build the Fund Administrators, County Trade Loan Board, and Ward Vetting Committees for effective vetting and fund management.

Departmental Response

Initial induction was conducted for both ward and county committees. However, continuous training has been limited due to inadequate administrative funds. Attempts to collect field data through ward and village administrators for due diligence have faced poor response, again due to lack of facilitation funds.

Implementation status: Partially implemented

Justification: Budgetary constraint

9. Due diligence MUST be conducted to ascertain the true loan portfolio and how much of the current loan is recoverable. This will segregate data of all the loan beneficiaries including those still active in business, deceased cases, relocated business, closed, and those that are doubtful of recoveries.

Departmental Response

The department did task the ward administrators to engage the village administrators to collect data to aid the department in making an informed decision on the future of the fund. However, there has been low from the administrators impairing the process of data validation.

Status of implementation: Not implemented.

Justification: Lack of funds to facilitate the administrators to undertake the exercise.

10. Any officer who served at the County Trade Loan Fund should not be allowed to run the fund until their names are cleared by the CECM Trade and Finance.

Departmental response

The Chief Officer assured the committee that the officers were cleared to continue serving.

Status of implementation: Implemented.

Committee Observations**Hon. Speaker,**

The committee observes as follows:

1. The Trade Loan Development Fund Regulations were finalized and gazetted in September 2023, showing progress in creating a legal basis for loan operations and future budget allocations.
2. While the loan management system has been automated, non-payment of software assurance fees for 5 years has hindered access and system performance. This reflects poor financial planning and lack of prioritization for essential administrative operations.
3. The department has complied with quarterly and annual reporting obligations to the County Assembly and relevant oversight bodies, which is commendable and promotes transparency.
4. Despite issuing demand notices and initiating check-off recovery from County staff, loan recovery has been minimal. The department is in the process of procuring debt collection services, indicating delayed enforcement of recovery measures. Recovery from 188 county staff through check-off (KES 2.3 million) shows partial success, but there is no mention of action against non-staff defaulters.
5. The department demonstrated full cooperation with internal and external auditors, submitting all relevant documentation. However, administrative costs exceeded the 3% cap, though not flagged as irregular by auditors.
6. While the department has partnered with external organizations for MSME support and training, activities have been limited due to lack of funds for logistics, training materials, and facilitation.
7. Only initial induction was conducted for loan fund governance structures. Ongoing training and oversight are lacking, mostly due to budget limitations, hindering effective fund administration and vetting.
8. The process of data validation has not been done as recommended.

2.2.3 Report on the Bungoma County Government Financial Statements For the period ended 31st March, 2023 in respect to The Energy and Industrialization

The following were the resolutions made by the House:

1. **THAT** the Department should comply with Regulation 93 (5) and (6) of the PFM Regulation, 2015) on surrendering imprests.

Departmental response;

The department implemented the resolution and provided supporting documents as attached.

Implementation status; implemented (See annexure V)

2. **THAT** the department should scrutinize the bank statements for all the trade loans accounts and report on the fund be submitted on a quarterly basis to the County Assembly for scrutiny.

Departmental response

The department is fully compliant with reporting requirements and has prepared and submitted all quarterly and annual financial statements to the relevant bodies. Equally, the committee agreed to have considered Trade loan quarterly financial statements and did a report that was approved by the House on 26th March, 2025.

Implementation status: Implemented

3. **THAT** the department should forward a detailed report on monthly/annual work plans and budget implementation status to the committee for comparison purposes with the financial report. Furthermore, the department to prioritize activities to be undertaken with specified timelines (work plan) to ensure successful implementation of its programs.

Implementation status: Not implemented

Committee Observations

The committee observed the following:

THAT, the department ensured the outstanding imprests were surrendered.

THAT, the department has been submitting quarterly reports and financial statements to the relevant bodies.

THAT, the department has not been submitting monthly work plans as recommended by the committee.

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CHAPTER THREE

COMMITTEE OBERVATION AND RECOMMENDATIONS

3.1 Recommendations

Hon. Speaker,

The committee observed that:

1. The County Executive Committee Member had not submitted any progress report on the House resolution to the committee as provided by standing Order 205 (2).
2. Most of the House resolutions had not been implemented as at the time of the interrogation.

3.2 Committee recommendations

The committee recommends the following:

1. **THAT**, the County Executive Committee Member for the department of Trade, Energy and Industrialization should always respond promptly to the House resolutions communicated within the stipulated timelines and furnish the committee with a report on the progress of implementation.
2. **THAT**, the department should submit a progress report with regard to the implementation status of the recommendations with regard to the House resolutions within 30 days from the date of adoption of this report.

ADOPTION SCHEDULE

We the undersigned Members of Trade, Energy and Industrialization Committee affix our signatures adopting this report with the contents therein

	MEMBERS NAME	DESIGNATION	SIGN
1	Hon. Benard Kikechi	Chairperson	
2	Hon. Ali Machani	Member	
3	Hon. Joan Kirong'	Member	
4	Hon. Milliah Masungu	Member	
5	Hon. Jack Wambulwa	Member	
6	Hon. Charles Nangulu	Member	
7	Hon. Alfred Mukhanya	Member	
8	Hon. Polycarp Kimeta	Member	
9	Hon. John Wanyama	Member	
10	Hon. Moureen Wafula	Member	
11	Hon. Linda Kharakha	Member	
12	Hon. Bosire Aggrey	Member	
13	Hon. Brigid Katasi	Member	
14	Hon. Angeline Rugut	Member	
15	Hon. Alice Kibaba	Member	

ANNEXURES

- I. List of street light meters.
- II. Bungoma County Government overdue debt summary as at 24/225 (Electricity).
- III. The Public Finance Management (Bungoma County Trade Development Loans Fund) Regulations, 2023.
- IV. Loan recovery and updated loan balances.
- V. Imprest surrender.