CAB/HR/HSD/005

COUNTY GOVERNMENT OF BUNGOMA

COUNTY ASSEMBLY OF BUNGOMA

COUNTY ASSEMBLY DEBATES

THE DAILY HANSARD

WEDNESDAY, 22ND JULY, 2026

Morning Sitting

3rd County Assembly **5th Session**

Version 00 **Revision 00**

COUNTY ASSEMBLY OF BUNGOMA

THE DAILY HANSARD

WEDNESDAY, 15TH JULY, 2026

The House met at the County Assembly Chamber at 2:30 p.m.

(Temporary Speaker [Hon. Christine Mukhongo] in the Chair)

PRAYER

MOTION

REPORT OF THE SECTORAL COMMITTEE ON FINANCE AND ECONOMIC PLANNING ON FINANCIAL STATEMENTS AND REPORTS FOR THE PERIOD ENDED 31ST DECEMBER, 2025

Temporary Speaker: Chairperson Sectoral Committee on Finance and Economic Planning. Hon. Godfrey Wanyama.

I know some of the Members are out on official duty around four of them. In the House how many do we have? You can be upstanding please. We have four plus four who are out on official duty; the quorum is there, we can proceed.

(Applause)

(Loud consultations)

Hon. Godfrey Wanyama: Thank you, Honourable Speaker. I am on my feet to move the Report on Financial Statements and Reports for the period ended 31st December, 2025

Temporary Speaker: *Mheshimiwa* Waiti and Sudi Busolo consult in low tones. I can hear you from here.

Hon. Godfrey Wanyama: Thank you, Hon. Speaker for your protection. Fist let me start on preface.

Preface

The Financial Statements and reports for the period ended 31st December, 2025 was tabled in this House on 17th February 2026 and committed to all Sectoral Committees for processing and reporting back to this Honorable House. The committee held interrogations on 25th May 2026 and hereby presents its report.

The report outlines the legal framework and objectives that guided the Committee in interrogating the submitted half year Financial Statements and reports FY 2025/2026. It highlights the resource envelope and revenue performance, the Department of Finance and Economic Planning budget execution by programmes and sub-programmes, accounts payables and accounts receivables.

Finally, the report contains the Committee's observations and recommendations for consideration and adoption by this Honorable House.

Mandate of the Committee

The Committee on Finance and Economic Planning is one of the 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 recommendations of proposed legislation.

One of the most important features of our Constitutional framework is the requirement of the County Assemblies' 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.

Committee membership

The current Committee composition comprises of the following members;

1. Hon. Godfrey Mukhwana Vice Chairperson
2. Hon. Stephen Wamalwa
3. Hon. Joan Kirong
4. Hon. Aggrey Mulongo
5. Hon. Vitalis Wangila
6. Hon. Tony Barasa
7. Hon. George Makari
8. Hon. Jack Kawa
9. Hon. Grace Sundukwa
10. Hon. Violet Makhanu
11. Hon. Orize Kundu
12. Hon. Catherine Kituyi

Guiding principles in the Examination of the half year financial statements and reports FY 2025/2026

In the execution of its mandate, the Committee on Finance and Economic Planning was guided by legal provisions 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

Acknowledgment

The Committee is grateful to the offices of the Speaker and the Clerk for the logistical support received in the discharge of its mandate.

I take this opportunity to thank all Hon. members of the Committee for dedicating their time to interrogate the half year Financial Statements and Reports FY 2025/2026 in respect to the Finance and Economic Planning department.

It is therefore my privilege, on behalf of the Committee on Finance and Economic Planning, to present this report before this Honorable House.

Report signed by Hon. Godfrey Wanyama, Vice Chairperson - Committee on Finance and Economic Planning.

RESOURCE ENVELOPE AND REVENUE PERFORMANCE FY 2025/2026

In the Financial Year 2025/26, the County projected revenues of Kshs. 15,926,407,761 broken down as:

i. Transfer from central Government Kshs.11,688,348,752

ii. Conditional grants National Government Kshs.617,821,419

iii. Conditional grants Development partners Kshs.1,654,108,119

iv. Locally generated AIA Kshs.1,295,070,023

v. Local Revenue Kshs.671,057,448

The largest part of the budget was expected from exchequer issues contributing 73.4% of the requirement, local revenue 12.3% and other receipts including grants 14.3% as shown in the table below;

REVENUE	
SOURCE	**BUDGET 2025/26**
Transfers from Central Government	11,688,348,752
Conditional Grant- National Government:	617,823,419
Conditional Grants- Development Partners:	1,654,108,119
FUNDS	-
Locally Generated AIA:	1,295,070,023

LOCAL REVENUE AS PER EXPECTED FINANCE ACT	671,057,448
Total	**15,926,407,761**

OVERVIEW OF FY 2025/26 BUDGET

1. Financial Performance

Revenue

In the Financial Year 2025/2026, the County government projected revenues of Kshs. 15,926,407,761. After deduction of self-reporting entities (County Assembly and level 4 and 5 hospitals), the balance for the County Executive was Kshs. 13,499,375,785.

During the period under review, Kshs.5,5414,789,869 (41% absorption) was received broken down as ,Kshs.5,417,011,187 (41%)from National Government and Kshs.97,778,682 (30%)from other receipts.

Below is a breakdown of the revenue received;

Revenue Classification	Budget	Actual for Q2	% Realization
Transfers from CRF	13,172,775,784	5,417,011,187	41%
Other Receipts	326,600,001	97,778,682	30%
Total	**13,499,375,785**	**5,514,789,869**	**41%**

Other incomes

This was money received from SHA reimbursement Kshs.81, 996,834, Sinoko Hospital Kshs.1, 488,035 and Mabanga ATC Kshs.14,293,712

Description	Period ended 31st Dec 2025	Comparative Period
	Kshs	Kshs
DANIDA		16,104,606.00
SHA Reimbursement	81,996,834.25	50,707,985.00
Other incomes	100.00	1,080,010.00

User fees & charge fees from Sinoko Hospital	1,488,035.00	1,822,590.50
Charge From Mabaganga & ATC	14,293,712.85	13,888,766.00
Fees and Transfers to Vocational Training.		20,840,273.34
Total other income	**97,778,682.10**	**104,444,230.84**

Payments

The total expenditure budget for the Financial Year was Kshs 13,499,375,785, actual expenditure in the period ended 31st December (6 months expenditure) amounted to Kshs 5,398,321,712 representing 40% budget absorption. Out of the total expenditure, Kshs. 272,319,392 was spent on development projects while Kshs 5,126,002,321 on recurrent expenditure as shown below;

Expenditure Classification	Budget	Actual for Q1	% Realization
Recurrent	10,782,555,828	5,126,002,321	48%
Development	2,716,819,957	272,319,392	10%
Total	**13,499,375,785**	**5,398,321,712**	**40%**

Payments towards recurrent expenditure in the period include:

1. Employee costs Kshs.4, 002,965,852 compared to Kshs.3,410,567,709 previous Financial Year due to payment of May and June salaries carried forward from FY 2024/2025.
2. Use of goods and services Kshs.936,215,046
3. Transfer to other Government Entities Kshs.16,067,349
4. Other grants and subsidies Kshs.170,754,074

Payments	Period ended Dec 2025	Comparative Period
Employee costs	4,002,965,852	3,410,567,709
Use of goods and services	936,215,046	626,355,035
Transfers to other Government Entities	16,067,349	76,323,196
Other Grants and Subsidies	170,754,074	247,696,216
Retention Paid Out		112,563,996
Total payments	**5,126,002,321**	**4,473,506,153**

1.* Employee expenses include:*

i. Salary for May and June 2025 Kshs.940,844,751
ii. July Kshs.423,901,189
iii. August Kshs.405,257,038
iv. September Kshs.393,975,717
v. October Kshs.425,074,480
vi. November Kshs.403,154,522
vii. December Kshs.449,753,450
viii. Wages for temporary staff Kshs.35,000,000
ix. NHIF Kshs.74,201,497
x. NSSF Kshs.38,644,493
xi. Pension Kshs. 342,533,061
Total Kshs. 3,932,340,198

2. **Use of goods and services of Kshs.936, 215,046 is broken down as**:

i. Use of goods and services for the period under review Kshs.711,174,666
ii. Trade payables Kshs.152,561,329
iii. Imprest Kshs.72,479,051

3. **Transfer to other government entities**

Transfer to other government entities of Kshs.16, 067,349 was a transfer back Danida Thusp donor. The department submitted that the transfer was made by the *department of Health to DANIDA as a condition for new funding.*

4. **Transfer to Other grants and subsidies** of Kshs. 170,754,074.30 is made up of:

i. Climate change Kshs.101, 709,497
ii. Kenya Devolution support program Kshs.5, 266,100
iii. Danida Thusp Kshs.13, 824,313
iv. KISP operational payments (UIG Account) Kshs.49,954,164

Statement of Financial performance (Expenditure for the period)

Expenditure in the period under review is broken down as below**:**

1. Employee costs Kshs.3,017,664,196
2. Use of goods and services Kshs.711,174,666
3. Transfer to other government entities Kshs.16, 067,349
4. Other grants and subsidies Kshs. 170,754,074.30
5. Acquisition of PPE Kshs.272, 319,391.70

	Period ended Dec 2025	Comparative Period	variance
Expenses	Kshs.	Kshs	
Employee costs	3,017,664,196.00	2,933,430,353.22	84,233,842.78
Use of goods and services	711,174,665.89	459,140,575.36	252,034,090.53
Transfers to other Government Entities	16,067,349.00	76,323,196.00	(60,255,847.00)
Other Grants and Subsidies	170,754,074.30	225,640,705.95	(54,886,631.65)
Total expenses	**3,915,660,285.19**	**3,694,534,830.53**	**221,125,454.66**

1. Employee costs

Employee costs for the period under review amounted to Kshs.3, 017,664,196. The expense is broken down as below:

i. Basic salary Kshs.2,501,116,399
ii. Basic wages Kshs.61,168,745
iii. Pension Kshs.342,533,062
iv. Employer contribution to National social schemes Kshs.38,644,493
v. Employer contribution to NHIF Kshs.74,201,497

Description	Period ended Dec 2025	Comparative Period	Variance
	Kshs	Kshs	Kshs
Basic salaries of permanent employees	2,501,116,399.10	2,832,672,555.22	(331,556,156.12)
Basic wages of temporary employees	61,168,745.00	100,757,798.00	(39,589,053.00)
Pension and other social security contributions	342,533,061.65		
Employer contributions to			

compulsory national social security schemes	38,644,493.00		
Employer contributions to compulsory national health insurance schemes	74,201,497.35		
Employee costs	**3,017,664,196.10**	**2,933,430,353.22**	**84,233,842.88**

Use of Goods and services

Kshs. 711,174,665.89 was utilized on purchase of goods and services.

Major expenses include:

i. Other operating expenses including bank charges utilized Kshs.241,373,185. Some of the expenses paid include Kshs.215, 228,582 for contracted guards and cleaning, Kshs.18.5million KISIP Grant,Kshs.14.4million to KRA.
ii. Domestic travel utilized Kshs.73,934,577
iii. Specialized materials and supplies utilized Kshs.63,702,320
iv. Hospitality supplies and services utilized Kshs.47,486,918
v. Routine maintenance of other assets utilized Kshs.45,247,038
The department clarified that these are temporary grading of roads which cannot be captured as non- current assets. This follows the introduction of accrual accounting system
vi. Fuel oil and lubricants utilized Kshs.30,067,319
vii. Utilities, supplies and services utilized Kshs.22, 082,868.Some of the payments include, Kshs.8, 825,172 paid to KPLC and Kshs.15million to BWASCO.
The department responded that the County Treasury has given prioritized payment of utilities including fuel, power, catering services, media. Previously the County had arrears caused by late exchequer releases.
viii. Training expenses amounted to Kshs.19, 219, 143.

The table is attached, members will check on their gadgets. Hon. Speaker, you will allow me to skip the table

Temporary Speaker: Proceed!

Transfer to other government entities

Transfer to other government entities of Kshs.16, 067,349 was a transfer back Danida Thusp donor.

Other grants and subsidies

Transfer to Other grants and subsidies Kshs. 170,754,074.30 is made up of

i. Climate change Kshs.101, 709,497
ii. Kenya Devolution support program Kshs.5, 266,100
iii. Danida Thusp Kshs.13, 824,313
iv. KISP operational payments (UIG Account) Kshs.49,954,164

Acquisition of Property Plant and Equipment amounted to Kshs.272, 319,391.70, which was all work in progress at the end of the period under review.

Statement of Financial position

i).Cash and cash equivalents

The County had a cash balance of Kshs.515,106,154 as at 31st December 2025. Kshs.3,624,451 was on recurrent account,Kshs.236,935 on Development account, Kshs.7,223,566 on deposits Account, Kshs.286,210,897 on special purpose account and Kshs.217,810,306 on other commercial accounts.

ii. Receivables from exchange transactions (Imprest)

The County had a total of Kshs. 225,171,223 receivables from exchange transactions.Kshs.97, 811,841 from un-surrendered imprest and Kshs.127, 359,382 from SHA-primary Health care services.

As at 31st December 2025, the County had a total of Kshs.97,811,841 un-surrendered imprest some dating back to 2019 contrary to PFM Regulations , 2015 93(5). Some employees have more than one imprest contrary to PFM Regulations 2015 93(4) (b). Finance and Economic Planning department had a total of Kshs. 23,599,010 followed by Governor's office with Kshs. 20,737,599 and Gender and culture Kshs. 20,483,300.

The table below shows the tabulation.

DEPARTMENT	AMOUNT
Finance & Economic Planning	23,599,010
Governor's Office	20,737,599
Gender & Culture	20,483,300
Lands & Housing	8,725,300
Public Administration	5,486,050
Health & Sanitation	5,248,511
Agriculture, Livestock And Co-Operatives	3,646,070
Office Of The County Secretary	2,399,220

County Secretary	1,962,580
Trade & Industrialization	1,919,490
Water, Tourism And Environment	1,475,050
Roads & Public Works	888,961
CPSB	639,000
Education & Vocational Training	601,700
Total	**97,811,841**

The department submitted that it had issued demand notices to all Accounting Officers to surrender imprest. Other long outstanding imprests had been forwarded to payroll for recovery.

Out of the Kshs. 97,811,841, an amount of Kshs. 53,617,891 has since been surrendered (see attached imprest register FY 2025/2026) leaving a balance of Kshs. 44,193,950 as outstanding imprest.

iii). Property Plant & Equipment

As per the Financial Statements for period ended 30th June, 2025 the County had a total of Kshs.16,767,046,760 worth of Assets . The Financial statements for the period ended 31st December 2025 indicate the assets were worth Kshs.2,105,080,480, a negative variance of Kshs.14,661,966,280.According to the half year Financial Statements , the County is in the process of listing all the assets and carry out a revaluation us guided by the transition to accrual accounting circular.

The Kshs.2, 105,080,480 worth of assets was broken down as;

Description	**31st December,2025**
Land	112,857,000
Buildings	-
Furniture and Fittings	29,812,701
Motor vehicle	29,887,789
Computers and ICT Equipment	20,062,950
Work in progress	1,848,514,432
Infrastructure	-
Biological Assets	-
Total	2,105,080,480.5

The department submitted that for the County to have ownership over an asset and for the asset to be included in the Financial Statements the County should have ownership title. For variance in land, the land that was included in the Financial Statements (see attached list) is that which the County has title or can be valued using the amount on the payment voucher of the purchase of the land.

In addition, the County has 1845 pieces of land that have not been valued which is valued at Kshs. 1 in the Financial Statements according to the Accounting Standardards up until when the County will process title deeds and value the parcels of land is when they will be included in the Financial Statements. The department further responded that most County buildings were erected on land that the County has no ownership for, biological assets could not be included in the Financial Statements as County Government has no control over. In addition maintenance of boreholes cannot be captured as assets as the boreholes are dug in private land. Lastly, infrastructure which includes purchase of street lights fittings cannot constitute asset accumulation.

The transition to accrual guidelines has allowed first-time adopters a period of three years to close out on accounting and asset reporting. In the case of the County Government of Bungoma, the period begun on 1st July 2024 and ends on 30th June,2027. Year 1 was in regard to recurrent assets, year 2 inventory and year three fixed assets.

iv). Current liabilities (pending bills)- These are short term debts payable within 12 months period e.g. short term borrowings like overdraft and supplier of goods and services within the period.

The County had Kshs.3, 263,968,579 worth of current liabilities .The pending bills are broken down as

1. Trade payables Kshs.2,234,386,006-(supply of goods and services)
2. Employee payables Kshs.716,018,322
3. Third party payments Kshs.313,564,251-(contractor retention account)

The CFSP gave a figure of Kshs. 2,915,663,504.84 as the total eligible pending bills verified by the committee, comprising of recurrent pending bills amount of Kshs. 602,229,981.56, and development pending bills of Kshs. 2,313,523,28.The County treasury has been reluctant to get cabinet approval of the verification report that declared a large portion of pending bills ineligible for payment due to lack of crucial supporting documents. It is not clear what necessitated re-verification of the said bills.

Departments have continued to declare the pending bills they had before verification e.g. the department of Roads and Public works has declared pending bills of Kshs.2.4 billion while the Financial statements have given a figure of Kshs.679,425,509.

The department responded that the draft pending bills report is ready for circulation .Separation per ward has been done. The department of Roads, Infrastructure and Public Works had captured legal obligations as pending bills. Other declared pending bills by the department had no certificates and could not be included in the Financial Statements.

1. Trade payables (Pending bills)

Trade payables are broken down as below. The department of Roads and Public Works has the highest amount with Kshs.679, 425,509 followed by Health and Sanitation with Kshs.352, 569,420.

Department	**Amount**
Roads & Public works	679,425,509
Health & Sanitation	352,569,420
Public Administration	183,488,634
Water & Tourism	164,063,460
Trade, Energy and Industrialization	149,856,635
Agriculture, livestock and coop	141,105,760
Education and VTC	112,029,749
Lands	106,549,221
Gender and sports	95,210,088
Finance & Economic Planning	95,082,288
Governors	88,006,239
County Secretary	22,714,828
County Attorney	17,783,507
Mabanga ATC	10,844,075
CPSB	10,287,291
Housing	5,369,302
Total	**2,234,386,006**

Employee payables of Kshs.716,018,322 is made up of

i. Lap fund Kshs.447,890,409
ii. Lap trust Kshs.194,414,800
iii. Payment to community Health Volunteers Kshs.35,800,000
iv. GOK PSS Scheme Kshs.19,212,561
v. Staff salaries September 2025 County Secretary Kshs.12,729,703
vi. Gratuity for 2 members of staff Kshs.5,091,047
vii. Salaries for casuals in the department of Agriculture for the period December 2023,January and November 2024 Kshs.879,803

Despite the County Assembly allocating money towards pension arrears over the years the County Treasury has not treated the expenses as a priority with Kshs.661,517,770 still owing to pension schemes. In addition, staff salaries amounting to Kshs.12,729,703 for the month of September, 2025 under the County Secretary were still outstanding as at 31st December,2025 .

The department submitted that the non-payment of pension arrears was due to own source revenue shortfalls in previous periods. In the current Financial Year, 120 million has been paid towards pension and gratuity for ex-officers. Kshs. Kshs.12,729,703 relates to housing levy that was not remitted following the court order, the amount was reported under trade payables in the Annual Financial Statements FY 2024/2025 . A payment plan with KRA is underway.

Third party payables

These are pending bills owing to contractors as retention.A total of Kshs. 313,564,251.05 is outstanding; The Treasury borrowed Kshs.150 million from the retention account to finance the budget in the financial year 2023/2024 with a promise to refund the money in the year 2024/2025,to date the money has not been refunded. Efforts by the Finance Committee to get confirmation of balance on the Retention bank account have not been fruitful.

The department submitted that a refund of Ksh.36,616,547 was done on 13th January 2026(see attached deposit bank statement extract) leaving a balance of Kshs. 113,383,453.An additional transfer will be processed from the April,2026 Exchequer.

Finance & Economic Planning

The Department had an allocation of Kshs.608, 171,566 in the approved budget, this was distributed as Kshs.384,471,566 recurrent and Kshs.225million development expenditure.

During the period, Kshs.160,268,574 was received.Kshs.130,543,574 was for recurrent expenditure which is 34 % of the budgeted Kshs.384,471,566.Kshs.29,725,000 was for development 13% of the budgeted Kshs.225million .

Expenses were as broken down below:

1. General Administration, Planning and support services with an allocation of, Kshs.124,063,482 received Kshs.89,641,914 , which is 72% absorption.

   Major expenses were:

   i. Administration support services received Kshs.86,294,014 against a budget of Kshs.108,650,820 which is 79% absorption. According to documents submitted by treasury,Kshs.74,294,014 was received, a variance of Kshs.12m Expenses include :Other operating expenses Kshs.58,068,702,fuel and lubricants Kshs.3,525,862,field allowance Kshs.3,041,500,travelling and subsistence Kshs.2,103,520,catering services Kshs.2.5milion ,Boards and conferences Kshs.1,606,095.
   ii. Public participation with an allocation of Kshs.15,412,662 received Kshs.3,347,899 which is 22% of budget. Major expenses were general office supplies of Kshs.1, 125,799 and computer accessories of Kshs.916,681.

2. 2. County Planning Management with an allocation of Kshs.53, 400,189 received Kshs. 9,856,122 during the period translating to 18 % absorption.
   The major expenses were:
   i. Economic Policy and County Planning services with an allocation of Kshs.15,170,802 received Kshs.4,311,397 (28% absorption).Some of the expenditure include boards and conferences Kshs.1,780,500,domestic travelling Kshs.2,215,400
   ii. Budgeting with an allocation of Kshs.20,943,880 received Kshs.4,584,626 (22 % absorption),the major expense was domestic travel at Kshs.2,157,300,boards and conferences Kshs.1,478,400.
   iii. Monitoring & Evaluation with an allocation of Kshs.7,785,507 received Kshs.960,100 (12% absorption),the major expenditure was daily subsistence allowance Kshs.436,400,boards and conferences Kshs.523,700
3. Statistics with an allocation of Kshs.9.5m did not receive any funding during the period under review.
4. County Financial services with an allocation of Kshs.71,557,895 received Kshs. 21,651,350 for recurrent expenditure, which is 30 % absorption.
   The major expenses were:
   i. Revenue mobilization with an allocation of Kshs.26,561,606 received Kshs.2,752,490.Major expenses were Boards and conferences Kshs.1,493,200

ii. Accounting services with an Kshs.14,651,952 received Kshs.9,669,730 (66% absorption).Major expenses were domestic travelling Kshs.3,933,810,training Kshs.2,111,920,hospitality Kshs.2.5m,
iii. Audit services allocated Kshs.14,820,190 received Kshs.3,979,740 (27% absorption),Major expenses include domestic travel Kshs.3,328,940,training Kshs.150,800 ,hospitality Kshs.500,000.
iv. Supply chain services allocated Kshs.15,524,147 received Kshs.5,249,390 which is 34% absorption. Major expenses include domestic travel Kshs.3, 651,300 and hospitality Kshs.805, 100.

5. Service delivery and organizational transformation with an allocation of Kshs135,450,000 recurrent expenditure and Kshs.225million development received a total of Kshs.39,119,188.Kshs.9,394,188 was for recurrent and Kshs.29,727,000 for development.
   Major expenses were:
   i. Special Coordination unit allocated Kshs.135,450,000 received Kshs.8,605,605(6% absorption). According to documents submitted by treasury, the directorate received Kshs.20,605,605, major expenses were field allowance Kshs.7,835,500,035, domestic travel Kshs.11,228,055.
   ii. Emergency fund with an allocation of Kshs.100m received Kshs.4,725,000 which is 4.72% absorption.
   iii. ICT Development allocated Kshs.25 million received Kshs.25 million (100% absorption) with an additional Kshs.788,583 recurrent yet the vote had no recurrent allocation.
   iv. Refund to the retention account had an allocation of Kshs.100m, as at the end of the period, no money had been received.

COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

Committee Observations

1. As at 31st December, 2025 the County had a total of Kshs. 97,811,841 as outstanding imprest out of this Kshs. Kshs. 23,599,010 related to Finance and Economic Planning department. An amount of Kshs. 53,617,891 has since been surrendered (see attached imprest register FY 2025/2026) leaving a balance of Kshs. 44,193,950 as outstanding imprest.
2. According to the Financial Statements, as at 31st December, 2025,the County had Kshs.3, 263,968,579 worth of current liabilities .As at the reporting period, the County Treasury had not released the pending bills report as compiled by the

select committee that revealed that a large portion of the pending bills declared by departments were not eligible for payment.

3. As at the reporting period, the County owes Kshs.661, 517,770 to pension schemes despite the County Assembly allocating funds towards the same over the years.
4. The County owes contractors Kshs. 313,564,251.05 as retention money. An allocation of Kshs.100m towards refund of money borrowed from the retention account has not been honored .Efforts by the committee to get the bank statement of the retention account to confirm the balance in the past have not been fruitful.
5. As per the Financial Statements for period ended 30th June 2025, the County had a total of Kshs.16,767,046,760 worth of Assets .The Financial statements for the period ended 31st December 2025 indicate the assets were worth Kshs.2,105,080,480, a negative variance of Kshs.14,661,966,280.

Committee Recommendations

1. **THAT,** the County Treasury should ensure that all departments with outstanding imprests amounting to Kshs.44,193,950 surrender and account for the same within thirty (30) days after the adoption of this report. Further, no additional imprests should be issued to officers with outstanding balances, and all Accounting Officers should enforce recovery mechanisms for long-outstanding imprests.

2 .**THAT,** the County Treasury should, within thirty (30) days after the adoption of this report, table before the County Assembly the verified Pending Bills Report prepared by the Select Committee on Pending Bills and provide a reconciled schedule of eligible and ineligible claims. Further, moving forward only verified pending bills should be recognized in the financial statements, and departments should refrain from committing expenditures without confirmed budgetary provisions.

4.**THAT,**the County Treasury should prioritize settlement of pension arrears amounting to Kshs.661,517,770 and submit to the County Assembly, within sixty (60) days, a structured payment plan indicating annual allocations and timelines for clearing the outstanding liabilities. Further, funds appropriated by the County Assembly for pension contributions should be ring-fenced and utilized strictly for the intended purpose.

5.**THAT,** the County Treasury should, within thirty (30) days, furnish the Committee with bank statements for the retention account together with a detailed schedule of retention liabilities amounting to Kshs.313,564,251.05. In addition, the County Treasury should immediately refund the balance of Kshs.113, 383,453 from the amount borrowed from the retention account and establish safeguards to prevent diversion of retention funds in future.

5. **THAT**, the County Treasury in collaboration with the department of Lands, Urban and Physical Planning should ensure that title deeds for County Government Land are processed.Further,the County Treasury should maintain an updated and comprehensive asset register supported by periodic asset verification and valuation to ensure accuracy and reliability of the financial statements.

There is an adoption schedule. We members of Finance and Economic Planning have appended our signatures adopting this report with the recommendations.

Temporary Speaker: Thank you, Hon. Godfrey Wanyama. You can call your seconder.

Hon. Godfrey Wanyama: Thank you, Madam Speaker. It is my duty to call Hon. George Makari to second.

Temporary Speaker: Hon. Makari you have the privilege

(Applause)

Hon. George Makari: Thank you, Honorable Speaker for giving me time to second the motion as properly moved by my chair Hon. Godfery Mukwana. He has done it so well given the bulkiness of the document and the execution, he deserves our commendation and applause. Let me commend him for the good work.

We must agree that in this County, we have a problem and most of the time we have pointed out issues but at the end of the day, some of them have never been resolved up to date. If you look at pension, you find that the payroll has it's by product. When you are given the salary, you find there are deductions that are taken and are supposed be accounted for and taken to the relevant statutory bodies, but you find that the deduction are made but the money are not remitted as required. Even when we allocate money, if you look at the budget, we allocated money for them to pay the pension but if you look at the statement , the money never reached the bodies and that is where our problems start.

There is a time this County borrowed retention money around 150 million. If you look at the statements, the money owed to contractors in this County is almost 300 Million but we have tried as a committee to find bank statements giving us details of 150 million borrowed if it was refunded to the account. We have not been able to find that solution and that is why I have said we have a problem in this county.

I will not go through the whole document. If you check carefully as at 1st June, 2025, the valuation of the County assets was at 16 billion but as at 31st December, 2025 the valuation had reduced to 2 billion, a variance of 14 billion. When we asked about whereabouts of the disappearance but their explanation was that all the land that was valued in this county at the end of… they realized that they don't have documentation for that land. So, they only have a little documentation for a few pieces of land. It is county land but they don't have title deeds, so the valuation went down and they said any parcel of land that doesn't have a title deed they only allocated one shilling as per accrual reporting and it doesn't matter if they are hectares of land, so long as it doesn't have a title deed.

Another elephant in the room is about the imprest and Finance being a compliant department has the highest imprest of 22 million followed by the Governor's Office and you see the PFM Act says something about imprest. You cannot stay with imprest for more than 7 days without actually surrendering and that's why I began by saying I think across all the departments, we have a problem with this County and I don't know how we are going to rectify it, but it has persisted for long. You will find that some imprest dates back to 3 years ago. If an activity was done, how it is not possible to surrender an imprest because you have done an activity. How is it not possible that you cannot say I took Ksh. 3,000,000 and this is the expenditure, you give the feedback on what you spent the money on. But here, you find that imprest has stayed and worse of all even the Governor's office has Ksh 20,000,000 not surrendered. Which activity was this that took Ksh. 20,000,000 and the money was paid but they cannot account because there was no activity. I second but those were the sticking issues. And some of the issues in this county, you can try to run around looking for results and at the end of the day not get the results. I second the motion.

Temporary Speaker: And you as a committee why don't you invite the Executive and seriously question about it? Honourable members, a motion having been moved and seconded, I now propose a question that this House adopt the report of the sectoral committee of Finance and Economic Planning.

(Motion Proposed)

Hon. Francis Chemion: Thank you, Hon Speaker. I have looked at the Committee Membership, you can see from the list there are twelve members led by the Vice Chairperson. When you go to adoption schedule, I find out other members who were not members of this committee and they have signed, so I don't know if we have the right document.

Temporary Speaker: Like which one? Like who?

Hon. Francis Chemion: Have you looked at the membership? The committee membership is twelve, then when you go to the adoption schedule, I see fifteen members having signed.

Temporary Speaker: Mine has twelve.

Hon. Francis Chemion: But this is the document that is circulated. It has fifteen.

Temporary Speaker: We shall look into that.

Hon. Francis Chemion: Is that a hard copy Honorable Speaker?

Temporary Speaker: Yes.

Hon. Francis Chemion: Maybe then what was circulated is erroneous.

Temporary Speaker: Yeah, we shall look into that.

Hon. Francis Chemion: You will ask the person who circulated to circulate the correct adoption schedule.

Temporary Speaker: Okay.

Hon. Francis Chemion: Thank you, Honourable Speaker. I thought it was hard copy.

Temporary Speaker: No. Let's proceed. Is that all Hon. Chemion? That's all you have?

Hon. Francis Chemion: Yeah, I just wanted to point out the technical issues.

Temporary Speaker: Thank you for that observation. That is the mood of the House from yesterday, so maybe the mover of the motion? I don't think you have something to reply on what *Muheshimwa* Chemion has raised. I think it's just an anomaly that was done so we shall proceed. You have something to reply?

Hon. Godfrey Mukhwana: Thank you, Honorable Speaker. Already you have given a ruling over the issue of Hon. Chemion on the membership.

Temporary Speaker: Thank you, Hon. Mukhwana. A motion having been moved and properly seconded and debate having ensued, I now put a question that this House adopts the motion of the sectoral Committee on Finance and Economic Planning on financial statements and report for the period ended 31st December, 2025.

(*Question put and agreed to)*

REPORT OF THE SECTORAL COMMITTEE ON LANDS, URBAN, PHYSICAL PLANNING AND HOUSING ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 2025

Temporary Speaker: We have Chairperson of Lands. Hon. Opwora is here with us. Let us see the membership of the Committee. Members, you can stand up so that we see that you are here. I can see quorum is there.

Hon. Edwin Opwora: Thank you, Honorable Speaker. I'm here to move a motion on the report of the financial statement for the period ended December 2025 for the Department of Lands, Urban, Physical Planning, Housing and Municipalities.

EXECUTIVE SUMMARY

The committee conducted interrogation of the 1st and 2nd financial statements and reports for the period ended December, 2025 to seek clarity on the expenditures and the rate of absorption of the budget.

Pursuant to section 166(4) of the PFM Act 2012, the County Treasury is mandated to prepare quarterly reports on all county departments and submit the same to the County Assembly not later than 30 days of the succeeding month after the end of each quarter. It is in this regard that the County Executive Committee Member for Finance and Economic Planning submitted the Bungoma County quarterly report and financial statements for the period ended December, 2025.

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

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

Finally, the Committee has comprehensively considered the consolidated financial statements and report for the period ended December, 2025 and presents this as the committee report for consideration by this House.

It is my pleasant duty to present the report on the Half year financial statements and report for the period ended December, 2025 in respect to the department of Lands, Urban Physical Planning, Housing and Municipalities.

FISCAL AND LEGAL FRAMEWORK

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

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

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

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

Obligations of Accounting Officers

Section. 149(1) of the PFM Act 2012, states that;

An accounting officer is accountable to the county assembly for ensuring that resources of the entity for which the officer is designated are used in a way that is;

- *Lawful and authorized*
- *Effective, efficient, economical and transparent.*

Accounting officers will be accountable to County Assembly for;

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

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

MANDATE OF THE COMMITTEE

The sectoral Committee on Lands, Urban, Physical Planning and Housing is constituted pursuant to the provisions of Standing Order No. 217 of the Bungoma County Assembly Standing Orders and executes its mandate in accordance with Standing Order No.217(5) which provides that, the functions of a sectoral committee shall be to:-

a. Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations, coordination, control and monitoring of budget;
b. Consider quarterly reports of the assigned departments and report to the House within twenty-one (21) sitting days upon being laid;
c. Study the programme and policy objectives of departments and the effectiveness of the implementation;
d. Study and review all county legislation referred to it;
e. Study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;
f. Investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County 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 recommendations of proposed legislation.

TERMS OF REFERENCE

During the Committee sitting and as had been directed by Hon. Speaker on the floor of the House, the committee embarked on interrogation of the quarter report for the period ended December, 2025 with the following guiding principles: -

i. To interrogate the departmental 1st and 2nd quarter financial statements for both recurrent and development exchequer releases.
ii. To interrogate the Budget implementation reports; projects implemented as per the approved PBB and activity costing.
iii. Interrogate the personnel expenditures in the period under review
iv. Interrogate the CEF project implementation status in the department for FY 2024/25
v. Interrogate the status of the outstanding Imprest and pending accounts payable

MEMBERSHIP TO THE COMMITTEE

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

1.	Hon. Johnston Ipara	Chairperson
2.	Hon. Orize Kundu	Vice/Chairperson
3.	Hon. Joan Kirong'	Member
4.	Hon. Aggrey Mulongo	Member
5.	Hon.Wafula Waiti	Member
6.	Hon. George Makari	Member
7.	Hon. Eunice Kirui	Member
8.	Hon. Mildred Barasa	Member
9.	Hon. Edwin Opwora	Member
10.	Hon. Hon. Jeremiah Kuloba	Member
11.	Hon. Linda Kharakha	Member
12.	Hon. Polycarp Kimeta	Member
13.	Hon. Cornelius Makhanu	Member
14.	Hon. Mourine Katila	Member
15.	Hon. Makari George	Member

ACKNOWLEDGEMENT

I take this opportunity to thank the Office of the Speaker and the Clerk of the County Assembly for the logistical support accorded to the Committee as it executed its mandate. My gratitude also goes to all members of the Committee for dedicating their time to examine the financial statements and reports for the period under review.

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

Report signed by Hon. Johnston Ipara Chairperson Committee on Lands, Urban, Physical Planning and Housing.

LANDS URBAN AND PHYSICAL PLANNING

The total budget for the department for the financial year 2025/26 was Kshs. 123,766,170 as per the approved annual budget comprising of a total of; Kshs. 27,674,947 Recurrent budget and Kshs. 97,875,438 Development budget.

The total fund received and spent by the Department was Kshs. 4,386,612.20 all of them for recurrent expenditure representing 3.5% budget performance against a target of 50%.

Budget execution by classification

The absorption of the budget on recurrent was Kshs 4,386,612.20 translating to a rate of 16% of the Approved recurrent vote. The expenditures were as follows:

- Utilities and supplies (Electricity, water and sewerage) with an approved budget of kshs.120, 000 incurred an expenditure of zero.
- Communications supplies services (Telephone Telex and mobile phone services and Internet connections) had NIL utilization against the approved allocation of Kshs. 468,000
- Domestic Travel with an allocation of Kshs. 2,393,939 had an expenditure of Kshs. 622,096.55 (26%)
- Printing, advertising, and publishing services with an allocation of Kshs. 575,600 had NIL absorption.
- Training expenses with an allocation of Kshs. 1,656,400 had an expenditure of Kshs. 581,563.90 (35%)
- Hospitality Supplies with an allocation of Kshs. 3,481,800 had an absorption of Kshs. 653,303.45 (19%).
- Motor vehicle insurance had NIL absorption from an allocation of Kshs. 539,000.
- Office General Supplies Kshs. 546,250 had NIL absorption.
- Refined fuels and lubricants for transport utilized Kshs. 694,700 against the allocation Kshs. 1,389,400(50%)
- Other operating expenses with an allocation of Kshs. 14,154,558 had an expenditure of Kshs. 1,421,600 (10%)
- Routine Maintenance Expense- motor vehicles had an expenditure of Kshs. 412,000 against the approved Kshs. 1,500,000(27%)
- Routine Maintenance of other assets like computers, software and Networks with an approved allocation of Kshs. 450,000 had NIL absorption.
- Purchase of Computer, Printers and other IT equipment with an allocation of Kshs. 400,000 had NIL expenditures.

DEVELOPMENT

Infrastructural development had an allocation of Kshs. 96,091,223 with NIL absorption on the following programs;

1) GIS Lab Kshs. 30,000,000 – removed during 1st supplementary

2) Ward based projects Kshs. 25,065,000

3) Valuation roll preparation Kshs. 1,026,223

4) Acquisition of land for Matulo Airstrip Kshs. 40,000,000 – removed during 1st supplementary.

Pending staff receivables (Outstanding Imprests)
Outstanding Imprests in the Department were 4 with a cumulative value of Kshs. 8,725,300.

Trade payables
The total accounts payables in the department at the beginning of the financial year was Kshs. 106, 549,221 (Kshs. 9,355,683 being recurrent and Kshs.97, 193,538 as development). None was settled during the year under review. There was no allocation for pending bills in the budget as at 31st December, 2025.

Departmental submissions

1. The department submitted that non-expenditure on other votes in the approved budget like purchase of furniture, general office supplies, fuel oil lubricants, routine maintenance and most development votes such as supplies credit and purchase of land were all procurable that will be paid at once in the 4th quarter of this financial year.

2. The process of land identification and acquisition has not been completed for Matulo airstrip.*(the process has not been completed)*
3. The un-surrendered imprests in the department were only two and have since been surrendered awaiting clearance.(list of names)

HOUSING

The total budget for the financial year 2025/26 was Kshs. 338,328,388 as per the Approved annual budget comprising of a total of Kshs. 28,428,198 Recurrent budget and Kshs. 319,900,190 Development budget respectively.

The total receipts and expenditure by the Directorate was Kshs. 43,806,566.40 (Kshs 21,303,566.40 recurrent and Kshs. 22,500,000 development expenditure) representing 10% budget performance against a target of 50%.

Budget Absorption
The budget performance for recurrent expenditure was Kshs. 21,303,566.40 which translates to 75% of the recurrent allocation. The absorption of the budget was as follows;

- Utility Supplies (Electricity, water and sewerage) with an approved allocation of Kshs. 102,000 had NIL absorption.
- Communication supplies utilized zero against the approved allocation of Kshs. 168,000
- Domestic Travel with an approved allocation of Kshs. 1,000,000 had an expenditure of Kshs. 530,900
- Printing Advertising awareness utilized zero against the approved allocation of kshs. 370,000
- Training expenses with an allocation of Kshs. 1,037,200 utilized kshs. 143,966.40(%)details
- Hospitalities supplies with an approved allocation of Kshs. 1,098,271 had an expenditure of Kshs. 228,900
- Motor vehicle insurance with an allocation of Kshs. 200,000 had nil expenditure
- Refined fuels and lubricants for transport utilized its entire allocation of kshs. 704,000 (100%) (Why 100%)
- Other operating expenses with an allocation of Kshs. 1,487,700 had an expenditure of Kshs. 1,149,800
- Routine Maintenance Expense- motor vehicles with an allocation of Kshs. 550,000 had an expenditure of Kshs. 49,000
- Routine Maintenance of other assets with an approved allocation of Kshs. 1,750,000 had zero absorption.
- Other capital grants utilized the entire Kshs. 18,500,000 as per the approved allocation (100%)
- Purchase of office furniture and general equipment with an allocation of Kshs. 515,000 had NIL absorption.

Development budget had approved allocation of Kshs 39,900,190**.** The budget performance under development was Kshs. 22,500,000 translating to 7%. The expenditure was on the other infrastructure works (construction of executive administrative Block Office).
KISIP grant with an allocation of Kshs. 297, 400,190 had NIL expenditure.

Trade payables

The total accounts payables in the department at the beginning of the financial year was Kshs. 5,369, 302 all recurrent. None was paid by the end of the period under review.

Departmental submissions

1. The department explained that most of the votes had not been spent due delays caused by EGP but have by now been spent; the motor vehicle insurance was still active at the time of reporting but was then spent in the 3rd quarter.

2. The nil expenditure of the KISIP grant with an allocation of Kshs. 297, 400,190 was occasioned by non-disbursement of the monies by the donor in the period under review hence the nil expenditure.
3. The KUSIP grant is utilized as it falls by the donor.
4. Reporting on expenditure on account payables is a collective responsibility involving several departments. The department of lands submitted that it had done its part and is waiting for other departments to complete documentation on expenditure of the accounts payables of Kshs. 5,369, 302.

BUNGOMA MUNICIPALITY

The Municipality had an approved budget of kshs.119, 640, 398 comprising of kshs.44, 248,371 as recurrent and Kshs. 75,392,027 development expenditure.

The total expenditure budget for the period was Kshs. 10,733,209 representing 9% total budget absorption;

Budget execution by classification

Under Recurrent, with an approved budget of Kshs. 44,248,371, the department absorbed Kshs. 3,694,000 translating to 8% of the recurrent vote. This is broken down as follows:

- Personnel emolument with an approved budget of Kshs. 27,948,371 had NIL expenditure. From the provided personnel vote, there was an expenditure of Kshs. 3,852,358.80.
- Domestic Travel and Subsistence with an allocation of Kshs. 4,054,250 had an expenditure of Kshs. 98,000 which represents 96% of the vote.
- Printing, Advertising and Information supplies services with an allocation of Kshs. 600,000 had NIL expenditure.
- Training expenses with an allocation of Kshs. 1,000,000 had an expenditure of Kshs. 344,400 (34% absorption).
- Hospitality with an allocation of Kshs. 6,000,000 had an expenditure of Kshs. 3,251,600 (54% absorption)
- Insurance expenses with an allocation of Kshs. 350,000had NIL expenditure
- Office General Supplies and services with an allocation of Kshs. 300,000 had NIL expenditure.
- Fuel oil and lubricants with an allocation of Kshs. 600,000 had NIL expenditure
- Other operating expenses Kshs. 21,200 from an allocation of Kshs. 60,000 had NIL expenditure.
- Routine maintenance of motor vehicle with an allocation of Kshs.300,000 had NIL expenditure.

- KUSP grant had an allocation of Kshs. 8,750,000 had NIL expenditure.

Under development, with an approved budget of Kshs. 75,392,027, the Municipality absorbed Kshs. 7,039,209 translating to 9% of the development vote. This is broken down as follows:

- KUSP grant with an allocation of Kshs. 55,065,924 had NIL expenditure
- Other infrastructure and civil works (construction of Kanduyi Bus Park) with an allocation of Kshs. 20,326,103 had an expenditure of Kshs. 7,039,209 translating to 34% absorption.

Outstanding Imprests

The Municipality`s un-surrendered imprest appears in a general Departmental list.

Accounts payables

The submitted financial statement and reports did not provide the Accounts payables for the Municipality.

Departmental submissions

1. The Municipality boards were paid the back log from February, 2024 in September 2025. The rest of their sitting allowances were not allocated in for in the Supplementary budget and are pending payment.
2. Most of the votes in the approved budget such as insurance cost, purchase of motor vehicles, maintenance of motor vehicles and communication supplies were not expended due to delays in releasing of the exchequer by the national treasury.
3. The KUSP grant (development) of Kshs. 55,065,924 was not received by the department.
4. The Municipality paid a total of Kshs. 2.9 million on board committee allowances and ICPAK fees. Most of the impressts have since been surrendered awaiting clearance
5. The Municipality`s un-surrendered imprest appears in a general Departmental list and thus needs to be separated.

KIMILILI MUNICIPALITY

The Municipality had an approved budget of kshs.95, 337,575 comprising of kshs.43, 690,318 as recurrent and Kshs. 87,095,957 development expenditure. The overall budget expenditure by the mid of the financial year was Kshs. 1,076,100 all recurrent indicating a 1% absorption.

Budget execution by classification

Recurrent, with an approved budget of Kshs. 43,690,318, had an absorption of Kshs. 1,076,100 translating to 2% of the recurrent vote. This is broken down as follows:

- All programs in recurrent had NIL expenditures except Hospitality supplies which had an expenditure of Kshs. 1,076,100 from an allocation of Kshs. 3,605,110 (30%). The following are the votes with their allocations;

- Personnel emolument with an approved budget of kshs.18,081,192.
- Utilities Supplies and Services with an allocation of Kshs.262,500
- Communication Supplies and Services with an allocation of Kshs. 210,000
- Domestic Travel and Subsistence with an allocation of Kshs. 2,500,000
- Printing, Advertising and Information supplies services with an allocation of Kshs. 525,000
- Training expenses with an allocation of Kshs. 3,608,133.
- Hospitality with an allocation of Kshs. 3,605,110
- Insurance expenses with an allocation of Kshs. 315,000
- Specialized materials with an allocation of Kshs. 525,000
- Office General Supplies and services with an allocation of Kshs. 735,000
- Fuel oil and lubricants with an allocation of Kshs. 861,000
- Other operating expenses Kshs. 31,500
- Routine maintenance of other assets with an allocation of Kshs.950,883
- KUSP grant with an allocation of Kshs. 8,750,000.
- Purchase of office furniture with an allocation of Kshs. 420,000
- Research and feasibility studies with an allocation of Kshs. 2,100,000.

(Indicate expenditure)

Under development, with an approved budget of Kshs. 87,095,957, the absorption is NIL. The allocation was on the following votes:

- KUSP grant with an allocation of Kshs. 45,368,215.
- Other infrastructure and civil works with an allocation of Kshs. 39,727,742.
- Overhaul of Other infrastructure and civil works with an allocation of Kshs. 2,000,000 had NIL expenditure.

Outstanding Impressts

The Municipality`s un-surrendered imprest appears in a general Departmental list and thus needs to be separated.

Accounts payables

The submitted financial statement and reports did not provide the Accounts payables for the Municipality.

Departmental submissions

1) Kimilili Municipality received the grant of Kshs. 45, 368,215 and has done advertisement of the projects.
2) The Municipality`s un-surrendered imprest appears in a general Departmental list and thus needs to be separated

The municipality has since paid the amount of Kshs. 2,000,000 meant for the overhaul of Other infrastructure and civil works

COMMITTEE RECOMMENDATIONS

1. **THAT**, the officers who fail to surrender Imprest within seven days commit an offence and provision of section 92 (2) of the PFM Act shall apply. Additionally, if the Accounting officers fail to implement the provision of this section, they too are liable and section 92 (7) of PFMA shall apply

2. **THAT**, The Department and Municipalities should harmonize and verify the pending bills and ensure a report is submitted within 60 days from the adoption of this report.

3. **THAT**, County Treasury should consider budgeting for grants monies only when they are actually received to avoid affecting programs earmarked for using the grants allocations.

4. THAT the Department should strengthen budget implementation and procurement planning to ensure timely utilization of allocated funds across all recurrent and development expenditure votes. The Committee further recommends that procurement processes for planned activities be initiated early enough to avoid accumulation of expenditures in the fourth quarter of the financial year.

5. THAT the Department should prioritize the acquisition of land for the Matulo Airstrip project in the FY 2026/2027 budget and ensure that all valuation, compensation, and ownership issues are conclusively addressed before implementation to prevent further delays.

6. THAT the Department should ensure that adequate budgetary provisions are made for Municipal Board sitting allowances during budget preparation and

supplementary budgeting processes to avoid accumulation of arrears and delays in payment.

7. THAT the County Treasury should enhance cash flow planning and engagement with the National Treasury to mitigate the effects of delayed exchequer releases. The Department should also strengthen expenditure planning to ensure timely implementation of approved activities once funds are received.

Adoption Schedule

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

Honourable Speaker, allow me to call upon the seconder of the report Hon. George Makari.

Hon. George Makari: Thank you, Honorable Speaker. First of all, let me applaud the mover of the motion Hon. Edwin Opwora for moving the report. Let met appreciate him and on behalf of the committee, I say thank you.

I want to second the report as it has been well moved by the stand-in Chair Hon. Opwora. There are so many notable things in that report and members have the report on their gadgets but maybe just one curious thing, you find that the department budgets, they put in the budget some money from the donors which they are not so sure if that money will be available. So you find that a budget has donor funds like four hundred million but at the end of the financial year, you find that the donor has not brought in that money.

So, we find that there's a shortfall during the execution of the budget. So, as a committee, we were thinking before they put any money in the sector budget, they must be able to be very sure. Let the MOU be signed and the donor confirm that actually this money will be available during the said financial year instead of budgeting then at the execution level, you find that four hundred million is not there. So therefore with very few remarks, I want to second the report.

Temporary Speaker: Thank you the mover and the seconder of the motion in the House. A motion having been moved and seconded, I now propose a question that this House adopts the report of the Sectoral committee on Lands, Urban, Physical Planning and Municipalities.

(Motion proposed)

Honourable members, a motion having been moved and properly seconded, debated and replied to, I now put a question.

(Question put and agreed to)

ADJOURNMENT

This being our last item, we shall adjourn and resume our sitting in the afternoon at 2:30 p.m.

The House rose at 11:48a.m