

REPUBLIC OF KENYA



**COUNTY ASSEMBLY OF BUNGOMA
SECOND ASSEMBLY – FOURTH SESSION**

**ROADS, INFRASTRUCTURE AND PUBLIC WORKS
COMMITTEE REPORT**

**ON THE BUNGOMA COUNTY GOVERNMENT QUARTERLY REPORT
AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED**

DECEMBER 31ST 2019

MARCH, 2020

**The Office of the Clerk
County Assembly Buildings
BUNGOMA - Kenya**

Table of Contents

CHAPTER ONE.....	4
1.0 PREAMBLE.....	4
1.1 The Mandate of the committee.....	4
1.2 Committee Membership.....	5
1.3 Guiding principles in the Examination of the Bungoma County Government Quarterly Report and Financial statements Constitutional Principles on Public Finance.....	6
1. Direct Personal Liability.....	6
2. Obligations of Accounting Officers.....	6
1.4 Vision and Mission statement of the sector.....	7
1.5 Strategic Goals/Objectives of the Sector.....	8
1.6 Sub-Sectors and their Mandates and the linkage of the department to other sectors.....	8
1.7 Acknowledgment.....	10
2.0 KEY HIGHLIGHTS ON THE BUNGOMA COUNTY GOVERNMENT QUARTERLY REPORTS AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31 ST , 2019.....	11
.....	
15 ANNEXII: 2 nd Quarter Operation and Maintenance expenses and Personnel.....	15

CHAPTER ONE

1.0 PREAMBLE

Mr. Speaker sir, it is my pleasant duty to present the Bungoma County Government Quarterly report and financial statements for the period ended December , 31st 2019, in respect of the department of Roads, Infrastructure and Public Works. This document was tabled in the County Assembly of Bungoma on 18th February, 2020 and stood committed to each of the Sectoral Committee for interrogation, observation and recommendations through a report to be tabled this honorable house.

1.1 The Mandate of the committee

Mr. Speaker Sir, The sector Committee on Roads, Public Works and Infrastructure was constituted pursuant to the provisions of Standing Order No. 196 of the County Assembly of Bungoma and executes its mandate in accordance with Standing order 196(5) which provides as follows:

- a) Investigate, inquire and report all matters relating to the mandate , management, activities, administration, operations and estimates of the assigned departments.
- b) Study the programme 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 in to 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

1.2 Committee Membership

Mr. Speaker Sir, the Committee on Roads, Infrastructure and Public Works as currently constituted comprises of the following Members:

1. Hon. Jack	Kawa	Chairperson
2. Hon. Elly	Tindi	Vice Chairperson
3. Hon. Joseph	Nyongesa	Member
4. Hon Ali	Machani	Member
5. Hon. Joseph	Maguda	Member
6. Hon. Francis	Chemion	Member
7. Hon. Paul	Wamalwa	Member
8. Hon. Martin	Wanyonyi	Member
9. Hon. Sudi	Busolo	Member
10. Hon. Ben	Kipkut	Member
11. Hon. Jack	Wambulwa	Member
12. Hon. Meshack Simiyu		Member
13. Hon. Everlyne Mutiambu		Member
14. Hon. Aggrey	Mulongo	Member
15. Hon. Frankaline Simotwo		Member

1.3 Guiding principles in the Examination of the Bungoma County Government Quarterly Report and Financial Statements

In the execution of its mandate, the Committee is guided by core constitutional and statutory principles on Public Finance Management, as well as established customs, traditions, practices and usages. These principles include the following:

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: Article **201(a)** There shall be openness and accountability, including public participation in financial matters; Article **201(d)** Public money shall be used in a prudent and responsible way; and Article **201(e)** Financial management shall be responsible, and fiscal reporting shall be clear.

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 149 (1) and (2a) states as follows;

1. An accounting officer is accountable to the County Assembly for ensuring that resources of the entity for which the officer is designated are used in a way that is;
 - Lawful and authorized
 - Effective, efficient, economical and transparent
2. In carrying out a responsibility imposed by subsection(1), an accounting officer shall, in respect of the entity concerned;
 - (a) ensure that all expenditure made by the entity complies with subsection(1)
 - (f) bring a matter to the attention of the Executive Committee member responsible for the entity if, in the accounting officer's opinion a decision or policy or proposed decision or policy of the entity may result in resources being used in a way that is contrary to subsection(1)
 - (q) Provide information on any fraud, losses, or any violations of subsection (1) and provide explanations for the actions taken to prevent similar conduct in future

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

1. An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.
2. In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report—
 - (a) contains information on the financial and nonfinancial performance of t

he entity; and

(b) is in a form determined by the Accounting Standards Board.

3. Not later, than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.
4. Not later than one month after the end of each quarter, the County Treasury shall—
 - (a) Consolidate the quarterly reports and submit them to the County Assembly;
 - (b) Deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and
 - (c) publish and publicize them

1.5.Acknowledgements

Mr. Speaker Sir, I take this opportunity to thank all the members of the committee for dedicating their time to examine the Bungoma County Government Quarterly report and financial statements of the department of Roads, Infrastructure and Public works for the period ended December 31st, 2019. The committee would also like to appreciate the members of staff who worked with us to ensure this report is completed in time. Lastly, the committee is grateful to the Hon. Speaker, and the office of the Clerk of the County Assembly of Bungoma for the support received as it discharged its mandate. It is therefore my pleasant duty and privilege, on behalf of the

Hon. Members of the committee, to table this report and recommend it to the Assembly for consideration and adoption.

SignedDate.....

(Hon. Jack Kawa, MCA) Chairperson,
Sectorial Committee on Roads Infrastructure and Public Works

CHAPTER TWO

2.0 KEY HIGHLIGHTS ON THE BUNGOMA COUNTY GOVERNMENT QUARTERLY REPORTS AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30TH, 2019

ANALYSIS REPORT ON THE QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31ST, 2019. IN THE DEPARTMENT OF ROADS AND PUBLIC WORKS

PART ONE: INTRODUCTION

a) The total budget for the County in the financial year 2019/20 is Kshs. 11,921,532,500. This amount was however revised upwards during processing and approval of the first supplementary budget in the F/Y 2019/20. The new total figure was occasioned by the balances brought forward from FY 2018/19 and the approval of the County Allocation of Revenue Act, 2019. (CARA, 2019)

b) The amount was broken down as follows:

a) Equitable share	Kshs. 9,432,327,000
b) Own Revenue: As per approved Finance Act	Kshs. 500,000,000
Appropriation In Aid (AIA)	Kshs. 378,664,822
c) Conditional Grants: National government	Kshs. 471,132,655
Development partners	Kshs. 1,139,408,023

c) Recurrent programmes had a total budget of kshs. 8,184,380,247 representing 68.65% of the total budget while Development programmes were allocated a budget of Kshs. 3,737,152,253 which is equivalent to 38.1% of the County's approved budget.

PART TWO: ANALYSIS OF REVENUE

In the period under review, the County received total revenue of **Kshs. 1,724,334,274**. The source of the amount was as shown here below;

a) Exchequer releases	- Kshs. 1,547,495,100
b) Returned GRF Issues	- Kshs. 1,554,123
c) County own generated revenue	- Kshs. 175,285,051

1.0 COUNTY OWN GENERATED REVENUE

a) The report indicates that the County managed to collect **Kshs. 175,285,051** in the period under review which translates to **19.9%** of the total projected amount of **Kshs. 878,664,822** (Own revenue including A.I.A). The target for quarter 1 was Kshs. 219,666,206. The County Revenue directorate managed to collect 79.8% of the target for the period. This implies that the setting of targets in most revenue streams was almost accurate and thus commendable. *However, the report does not indicate what was generated from the department of Roads, Infrastructure and Public Works as A.I.A.*

2.0. CONDITIONAL GRANTS

a) The conditional grants from development partners and National government expected to be received was Kshs. 84,998,484 out of which none was remitted in quarter 1. Arising from these the department reports nil in the stated quarter.

3.0. PART THREE: ANALYSIS OF COUNTY EXPENDITURE

a) The expenditure target for the period under review was Kshs. 2,980,383,125 out of the total budget for the entire Fiscal year. This represents 25% of the total expenditure budget for the financial year.

b) The actual expenditure as reflected in the report is **Kshs. 1,607,545,147** with **Kshs 1,480,918,843** having been spent on recurrent activities while **Kshs. 126,626,304** was spent on development programmes. The actual expenditure represents 53.9% of the total expenditure target for the period.

c) It's important to note that out of the actual total expenditure for the period, **Kshs. 1,091,069,211** was used to compensate employees. This represents 67.9% of the total actual expenditure for the period.

d) Accounts receivables across all departments amounted to **Kshs. 110,700,675**. The total amount remained unsurrendered at the end of the period. The individual officers holding unaccounted imprests in the department of roads and Infrastructure stood at **Ksh. 4,442,064** Accounts payables (Retentions) for all the departments was **Kshs. 212,538,273** this amount referred to retentions including **Kshs. 212,152,684** being retentions brought forward from financial year 2018/19.

f) Accounts payables across all the departments was **Kshs. 425,860,886**. This amount is broken down in the report as follows:

i) Construction of buildings **Kshs. 34,304,237**

ii) Construction of Civil works **Kshs. 183,829,005**

iii) Supply of goods **Kshs. 98,060,954**

iv) Supply of services **Kshs. 109,666,690**

The amount further indicates the specific creditors as shown on of the report. Specific creditors in each department has however not been indicated. This makes it difficult for sector committee to make an informed decision as to the authenticity of the creditors in the department of Roads, infrastructure and Public Works.

PART FOUR: DEPARTMENTAL EXPENDITURE ANALYSIS

a) The department had an annual approved budget of **Kshs. 1,270,240,152** comprising of **Kshs. 159,787,707** recurrent and **Kshs. 1,110,452,445** for Development expenditure programmes.

b) The report did not give information from the department on how it performed during the period under review by submitting the implemented programmes broken down into activities for ease of understanding and subsequent oversight as per the approved budget.

c) The report of the department did not indicate Pending staff receivables (outstanding imprest holders) as at 30th. September, 2019. However, the total County outstanding imprest in respect to all departments was **Kshs. 110,700,675** at end of the period under review.

NOTE: The Public Finance Management Regulations, 2015 section 93 subsection 5 provides that, “ A holder of a temporary imprest shall account or surrender the imprest within seven working days after returning to duty station ”

d) Budget execution by programmes and sub-programmes as indicated on pages 13 and 14 of the submitted document does not give clear information as to which programmes were implemented by various specific departments. However, the programmes that seem to relate to Roads and Public works department are;

- Public safety and transport operations which had an approved allocation of **Kshs. 5,316,000**. No funds were spent on the programme in the period under review.
- Transport Infrastructure development and management was allocated a total of **Kshs. 1,110,452,445**.

PART FIVE: FINDINGS

1. The County treasury did not indicate how much each department received as revenue (Exchequer Issues) to implement their programmes in the first quarter.
2. The executed programmes were not broken down into activities to disclose the detailed information on the actual budget implementation of the department.
3. Pending bills (Accounts payables) stood at **kshs. 425,860,886** as at 30th, September, 2019. However, this amount was not broken down to show how much was for each department.
4. Departmental monthly/ annual work plans, Procurement Plans and the budget implementation status reports were not submitted by the CEC Member for Finance as required by the PFM Act ,2012

3.0 COMMITTEE RECOMMENDATIONS

Mr. Speaker sir, the committee on Roads, infrastructure and Public Works made the following recommendations.

1. The County treasury should be forwarding the departmental budget implementation status; for as required by the PFM Act
2. The County Treasury should be indicating how much each department received as revenue (Exchequer Issues) to implement their programmes in every quarterly report.
3. In every quarterly financial statements submitted should be accompanied with consolidated exchequer release printouts to indicate the status of the programs undertaken in the period under review. This

will ease the work of the sector committee calling for the departmental executives in submitting the details which contradict.

4. The CEC Member for Finance ought to be submitting the list of all pending bills for each department for interrogation by the sector committee.
5. The annual work plans for the department i.e. Roads; Public Works and Infrastructure committee should be submitted during the 1st quarter to enable the committees undertake proper oversight.
6. The Chief Officer should comply with the provisions of Regulation 93 (5) and (6) of the Public Finance Management Regulations of 2015 in respect to the management of imprest

Adoption Schedule

The under listed Hon. Members of the committee hereby append their signatures to this report:

Name	Title	Signature
1. Hon. Jack Kawa	Chairperson	.....
2. Hon. Elly Tindi	Vice Chairperson	.....
3. Hon. Joseph Nyongesa	Member	.....
4. Hon. Ali Machani	Member	.....
5. Hon. Joseph Maguda	Member	.....
6. Hon. Francis Chemion	Member	.....
7. Hon. Paul Wamalwa	Member	.....
8. Hon. Martin Wanyonyi	Member	.....
9. Hon. Sudi Busolo	Member	.....
10. Hon. Ben Kipkut	Member	.....
11. Hon. Jack Wambulwa	Member	.....
12. Hon. Meshack Simiyu	Member	.....
13. Hon. Everlyne Mutiambu	Member	.....
14. Hon. Aggrey Mulongo	Member	.....
15. Hon. Frankaline Simotwo	Member	.....

ANNEXTURES

AnnexI Adoption schedule

**ANNEXII; 2nd Quarter Operation and Maintenance expenses and Personnel
Expenditure for the Department of Roads, Infrastructure and
Public Works**

**ANNEXIII :Bungoma County Government Quarterly report and financial statements
for the period ended December 31st, 2019-*FY2019/2020***