

REPUBLIC OF KENYA



COUNTY ASSEMBLY OF BUNGOMA
SECOND ASSEMBLY – THIRD SESSION

TOURISM, ENVIRONMENT, WATER AND NATURAL RESOURCES
COMMITTEE REPORT

ON THE BUNGOMA COUNTY GOVERNMENT QUARTERLY REPORT
AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED
SEPTEMBER 30TH, 2019 IN RESPECT TO THE DEPARTMENT OF
TOURISM, ENVIRONMENT, WATER AND NATURAL RESOURCES

JANUARY, 2020

The Office of the Clerk
County Assembly Buildings
BUNGOMA - Kenya

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CHAPTER ONE

1.0 PREAMBLE

Mr. Speaker sir, it is my pleasure and pleasant duty to present the Bungoma County Government Quarterly report and financial statements for the period ended September, 30th 2019. This document was tabled in the County Assembly of Bungoma on 12th October, 2020 and stood committed to the each of the Sectoral Committee for their interrogation, input and recommendation through a report to this honourable house.

1.1 The Mandate of the committee

Mr. Speaker Sir, The sector Committee on Tourism, Environment, Water and Natural Resources 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 , assess 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

1.2 Committee Membership

Mr. Speaker Sir, the Committee on Tourism, Environment, Water and Natural Resources as currently constituted comprises of the following Members:-

1. Hon. David Barasa	Chairperson
2.Hon. Grace Sundukwa	Vice Chairperson
3.Hon. James Mukhongo	Member
4. Hon. Joseph Nyongesa	Member
5. Hon. Sophia Marumbu	Member
6. Hon. Jane Cheperenger	Member
7. Hon. Caviny Lukosi	Member
8. Hon. Humphrey Sifuna	Member
9. Hon. Joan Kirong'	Member
10. Hon. James Chesibok	Member
11. Hon. Fredrick Musebe	Member
12. Hon. Frankline Simotwo	Member
13. Hon. Bethwell Mwambu	Member
14. Hon. Violet Makhanu	Member
15.Hon. Christine Ngelech	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: **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.*

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 **(2 a, f and q)** 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 the entity; and*
 - (b) is in a form determined by the Accounting Standards Board.*
3. *Not later, than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.*
4. *Not later than one month after the end of each quarter, the County Treasury shall—*
 - (a) consolidate the quarterly reports and submit them to the county assembly;*
 - (b) deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and*
 - (c) publish and publicize them*

1.4 Vision and Mission statement of the sector

ENVIRONMENTAL PROTECTION, WATER AND NATURAL RESOURCES

Sector Vision and Mission

Sector Vision is “ To Ensure Sustainable development in a secure environment.”

Sector Mission is “To promote sustainable utilization and management of environment and natural resources for socio- economic development.”

1.5 Strategic Goals/ Objectives of the Sector

The overall strategic goal of the Sector is to ensure sustainable development in a clean and secure environment. The specific objectives include:

- i. To enhance sustainable management of Tourism, environment, water and natural resources;
- ii. To ensure access to water and natural resources benefits for socio-economic development;

- iii. To enhance capacity building for Tourism, environment, water and natural resources management;
- iv. To enhance research on Tourism, environment, water and natural resources for sustainable development.
- v. To protect and reclaim the environment in order to establish a durable and sustainable system of development and resilience to climate change

1.6 Sub-Sectors and their Mandates and the linkage of the department to other sectors

Directorate of Environment

The sub-sector's mandate includes; County Environmental Policy and Management; Protection and Conservation of the Natural Environment; Implementation of Climate Change Policy; Pollution Control; Mt. Elgon Environmental Management Programme; Restoration of County Riparian sections; County Meteorological services

Directorate of Natural Resources

The sub-sector's mandate is among others; Forestry Development Policy Management; Conservation and Protection of National Wildlife; Development of Forests, Re-afforestation and Agro-forestry; Restoration of Strategic Water Towers; Kenya Forestry Services; Wildlife Conservation and Protection Policy; Conservation and Protection of National Wildlife Heritage; Collaboration with Wildlife Clubs of Kenya; and Marine Parks.

Directorate of Water Services

The sub-sector's mandate includes, Water Resources Management Policy, Water and Sewerage Services Management Policy, Waste Water Treatment and Disposal Policy, Water Catchment Area Conservation, Control and Protection, Water Quality and Pollution Control, Sanitation Management and Management of Public Water Schemes and Community Water Project.

Linkages of Tourism, Environment, Water and Natural Resources to other sectors

Tourism is an economic asset to all sectors of the county since it promotes consumption of goods and services across all sectors. Sustainable utilization of forestry, environmental and natural resources enhances healthy populations through food items, fresh air, green spaces and raw materials for construction industry, thus creating job opportunities.

Water is a necessity for healthy life as well as an input into the production process across all sectors in the County; hence investments to secure our water resources should be enhanced.

With a clean environment Bungoma citizens will have healthy lives and be able to work hard and improve their economic wellbeing this in turn translates to more revenue collection by the County Government.

1.7 Acknowledgment

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 Tourism, Environment, Water and Natural resources department for the period ended September 30th, 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.

Mr. Speaker Sir,

It is therefore my pleasant duty and privilege, on behalf of the Hon. Members of the Tourism, Environment, Water and Natural resources committee, to table this report and recommend it to the Assembly for consideration and adoption.

SignedDate.....

(Hon. David Barasa, MCA)

Chairperson,

Sectoral Committee on Tourism, Environment, Water and Natural resources

CHAPTER TWO

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

2.1 COUNTY RESOURCE ENVELOPE FOR FY 2019/20

Mr. Speaker sir,

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

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

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.

2.2 REVENUE

Mr. Speaker sir,

In the period under review, the County received a total revenue of Kshs. 1,724,341,594. 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. 175,292,371

2.2.1 COUNTY OWN GENERATED REVENUE

Mr. Speaker sir,

The report indicates that the County managed to collect Kshs. 175,292,371 in the period under review. This translates to 10.03% 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.

In terms of the actual amount collected as a percentage of the total annual projection, 19.9% was achieved as compared to the estimated 25% in every quarter.

It should be noted that out of the Kshs. 175,292,371 which is collected from A.I.A and as per the approved Finance Act, Kshs. 118,041,671 was from Public health facilities operations. Kshs. 2,614,532 from technical services fees and Kshs. 5,629,300 from Education related activities including trainings conducted. Bank balances swept back into CRF account amounted to Kshs. 1,554,123.

The above are regarded as AIA funds and put together amounts to a total of Kshs. 126,285,503. If the figure is removed from the total amount then it means that only Kshs. 49,006,868 was collected as per Finance Act in the three months of the first quarter.

Realization of local revenue targets continues to pose a challenge hence there is need to adopt a revenue enhancement plan as a tool for use by the directorate of revenue in order to set realistic targets that are achievable. Wrong revenue targets affects implementation of programmes as set in the annual work plans.

2.2.2 CONDITIONAL GRANTS

Mr. Speaker sir,

The conditional grants from development partners and National government expected to be received was Kshs. 84,998,484 out of which none was remitted.

2.3 ANALYSIS OF COUNTY EXPENDITURE

Mr. Speaker sir,

Bungoma County Government Quarterly Report and Financial Statements for the period ended 30TH September, 2019 in respect to the department of Tourism, Environment, Water and Natural Resources

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.

The actual expenditure as reflected in the report is Kshs. 1,607,567,097 with Kshs 1,480,940,793 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.

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.

Accounts receivables across all departments amounted to Kshs. 246,131,346. The total amount remained unsurrendered at the end of the period. The individual officers holding unaccounted imprests in every department is given as submitted in the report.

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.

Accounts payables (Creditors) across all the departments were 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 the report. Specific creditors in each department has however not been indicated. This makes it difficult for sector committee members and by extension this honorable house to make an informed decision as to the authenticity of the creditors in the department.

2.4 Analysis of the Budget execution by programmes and Sub-programmes (Expenditure analysis)

Mr. Speaker sir,

The committee analyzed the expenditure of some of the programmes of the department and found out that none of the identified ones was implemented in the period under review as shown in the table below;

Ministry/ Departme nt	Programme	Budgeted amount Kshs	Actual expenditure Kshs	Percentage Implementation status	Remarks
Tourism, Environm ent, Water and Natural Resources	Tourist product identification and marketing	2,000,000	0	0%	Non absorption on the target
	Forest Conservation and management	45,000,000	0	0%	Non absorption on the target
	Solid waste management	20,000,000	-	0%	Non absorption on the target
	Water and sewerage services provision	291,344,323	0	0%	Non absorption on the target

2.5 Analysis of Outstanding Imprest in the department

Mr. Speaker sir,

Outstanding imprests that remained unsurrendered at the end of first quarter amounted to Kshs 3,069,179. The imprests were held by officers from the department and relates to the directorate of Tourism and Environment. There were no outstanding imprests in the directorate of Water and Natural resources.

CHAPTER THREE

3.0 OBSERVATION AND RECOMMENDATIONS

3.1 Committee observations

Mr. Speaker sir, the committee made the following observations.

1. The County treasury did not indicate how much each department received as revenue 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. The committee observed that the pending bills stood at kshs. 425,860,886 as at 30th, September, 2019. However, this amount was not broken down to show how much each department owes suppliers of goods and services
4. The committee observed that the accounting officer violated Regulation 93(5) and (6) of the Public Finance Management Regulations 2015 which provides that the safari imprests should be accounted for within 7 days failure to which the same should be recovered from the imprests holder's salary.
5. The committee observed that the department did not implement any development project in the period under review.

3.2 Committee recommendations

Mr. Speaker sir, the following were the recommendations that were made by the committee:

1. The County Treasury should be breaking down the total revenue received by each department for ease of interrogation and general oversight.
2. The County Chief Officer in charge of Tourism, Environment, water and Natural resources to submit a detailed report on the national conditional grants as allocated in County Allocation of Revenue Acts for the years 2017 and 2018.

3. The department should be preparing and submitting the Budget Implementation reports on quarterly basis for purposes of sector committee interrogation and in-depth oversight.
4. The department should forward a detailed report on pending bills to County Assembly for scrutiny by the committee.
5. The Accounting officer should comply with the provisions of Regulation 93(5) and (6) of the Public Finance Management Regulations 2015, in respect to management of imprests
6. The Accounting officer should be forwarding the development projects' status as at reporting date, of the budget implementation reports as an annexure for purposes of offering checks and balances to the executive.

ANNEXTURES

Annex I : Adoption schedule

Annex II : Bungoma County Government Quarterly report and financial statements for the period ended September 30, 2019

Adoption schedule

Name	Title	Sign
1. Hon. David Barasa	Chairperson
2.Hon. Grace Sundukwa	Vice Chairperson
3.Hon. James Mukhongo	Member
4. Hon. Joseph Nyongesa	Member
5. Hon. Sophia Marumbu	Member
6. Hon. Jane Cheperenger	Member
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