

COUNTY ASSEMBLY OF BUNGOMA OFFICE OF THE CLERK

Telephone: 0208000663/0202651905

P.O. BOX 1886-50200
BUNGOMA, Kenya

Email: info@bungomaassembly.go.ke/bungomacountyassembly@gmail.com

7th JUNE, 2023

REF: REPORT N.O (3)

INTERNAL MEMO

FROM : CHAIRPERSON YOUTH AFFAIRS AND SPORTS COMMITTEE.
TO : CLERK TO THE COUNTY ASSEMBLY.

DATE : 8TH JUNE, 2023

RE: REPORT BY THE COMMITTEE ON YOUTH AND SPORTS ON THE
NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST MARCH 2023.

The above subject matter refers.

Forwarded herewith, please find the report by the Committee on Youth Affairs and Sports on the Consideration of the Nine Months Financial Statements for the Period Ended 31st March 2023.

Kindly facilitate its approval for tabling.

Hon. Violet Makhanu

CHAIRPERSON COMMITTEE ON YOUTH AFFAIRS AND SPORTS.

COUNTY GOVERNMENT OF BUNGOMA



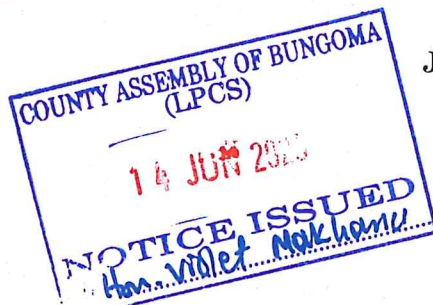
COUNTY ASSEMBLY OF BUNGOMA

THIRD ASSEMBLY, SECOND SESSION

REPORT BY THE COMMITTEE ON YOUTH AFFAIRS AND SPORTS
ON
THE NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31ST MARCH 2023,
IN RESPECT TO THE DEPARTMENT OF YOUTH AND SPORTS



Clerk's Chambers
County Assembly Buildings
PO BOX 1886,
BUNGOMA, KENYA



JUNE, 2023

Table of Contents

CHAPTER ONE	3
1.0 Preamble	3
1.1 The Mandate of the Committee	3
1.2 COMMITTEE MEMBERSHIP	4
1.3 Guiding principles in the Examination of the Bungoma County Government Quarterly Reports and Financial statements	5
1. Constitutional Principles on Public Finance	5
2. Direct Personal Liability	5
3. Obligations of Accounting Officers	5
1.4 Acknowledgment.....	6
CHAPTER TWO.....	7
2.0 KEY HIGHLIGHTS ON THE NINE MONTHS REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2022/2023	7
2.1 REVENUE	8
2.2 EXPENDITURE	8
2.3 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES	10
2.4 ACCOUNTS PAYABLE.....	11
2.5 Accounts Receivables (outstanding Imprests).	12
CHAPTER THREE	13
3.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS.....	13
3.1 Committee General Observations.....	13
3.2 Committee Recommendations	14
ADOPTION SCHEDULE.....	15

CHAPTER ONE

1.0 Preamble

Mr. Speaker,

It is my duty to present the report by the Committee on Youth and Sports on the Nine months Financial Statements for the Financial Year 2022/2023 for period ended 31th March, 2023. The document was tabled in this County Assembly of Bungoma on 1st March 2023 and stood committed to all Sectoral Committees for their interrogation, input and recommendation through a report to this Honorable House.

1.1 The Mandate of the Committee

Mr. Speaker,

The Committee on Youth and Sport falls under Sectoral Committees whose mandate is derived from Standing Order 217 (5) and matters assigned under the Second Schedule which shall be exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution.

The functions of a Sectoral Committee shall be to; -

- (a) Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments;
- (b) Study the program and policy objectives of departments and the effectiveness of the implementation;
- (c) Study and review all county legislation referred to it;
- (d) Study, access and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;
- (e) Investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly;
- (f) To vet and report on all appointments where the constitution or any law requires the County Assembly to approve, except those under Standing Order 185 (Committee on Appointments); and

- (g) Make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

One of the most important features of our Constitutional framework is the requirement of the County Assemblies having the mandate to exercise oversight over their respective County Executives and their organs/departments. Article 185(3) of the Constitution of Kenya, 2010 on legislative authority of County Assemblies state inter-alia that, 'A County Assembly, while respecting the principle of the separation of powers, may exercise oversight over the County Executive Committee and any other County Executive organs.

1.2 COMMITTEE MEMBERSHIP

Mr. Speaker,

The Committee comprises of the following members;

- | | | |
|-----|------------------------|---------------|
| 1. | Hon. Violet Makhanu | Chairperson |
| 2. | Hon. Grace Sundukwa | V/Chairperson |
| 3. | Hon. Job Mukoyandali | Member |
| 4. | Hon. Metrine Wilson | Member |
| 5. | Hon. Cornelius Makhanu | Member |
| 6. | Hon. Charles Nangulu | Member |
| 7. | Hon. Allan Nyongesa | Member |
| 8. | Hon. Caleb Wanjala | Member |
| 9. | Hon. Idd Owongo | Member |
| 10. | Hon. Catherine Kituyi | Member |
| 11. | Hon. Dorcas Ndasaba | Member |
| 12. | Hon. Everlyne Anyango | Member |
| 13. | Hon. Abraham Obama | Member |
| 14. | Hon. Martin Chemorion | Member |
| 15. | Hon. Florence Juma | Member |

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

Mr. Speaker,

In the execution of its mandate, the Committee on Youth Affairs and Sports is given a legal backing under the Constitution of Kenya 2010, Public Finance Management Act, 2012, and County Governments Act, 2012. These statutory provisions include:

1. Constitutional Principles on Public Finance

Article 201 of the Constitution of Kenya, 2010 enacts fundamental principles that “...**shall guide all aspects of public finance in the Republic...**” These principles include, *inter alia*, that: **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*

2. Direct Personal Liability

Article 226(5) of the Constitution of Kenya, 2010 is emphatic that “*If the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not*”.

3. Obligations of Accounting Officers

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

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

entity; and

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

3. Not later, than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.

4. Not later than one month after the end of each quarter, the County Treasury shall—

(a) consolidate the quarterly reports and submit them to the county assembly;

(b) deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and

(c) publish and publicize them

1.4 Acknowledgment

Mr. Speaker,

I take this opportunity to thank all Hon members of the Committee for dedicating their time to interrogate the Youth and Sports department Financial Statements for the period ended 31st March, 2023. The Committee would also like to appreciate the Secretariat who worked with us for their commitment. Lastly, the Committee is grateful to the offices of the Speaker and the office of the Clerk to the County Assembly of Bungoma for logistical support received as it discharged its mandate.

It is therefore my privilege, on behalf of the Committee on Youth and Sports, to table the Report on the Nine months Financial Statements of the department of Youth and Sports in Bungoma County for the Financial Year 2022/2023 for the period ended 31st March 2023.

Signed.......... Date 8/6/2023.....

Hon. Violet Makhanu

MCA. Mihuu Ward.

Chairperson, Sectoral Committee on Youth Affairs and Sports.

CHAPTER TWO

2.0 KEY HIGHLIGHTS ON THE NINE MONTHS REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2022/2023

Mr. Speaker,

The total budget for the County in the financial year 2022/23 was Ksh. 14,821,204,142 as per the approved 1st Supplementary budget with the breakdown of sources as indicated below

N.O	SOURCE	AMOUNT
1	Equitable Share	10,659,435,192.00
2	Equitable share Brought Forward	867,288,525.00
3	Retention	293,425,903.00
4	Conditional Grants Development partners	1,540,443,462.00
5	Conditional Grants National Government	113,228,200.00
6	Local revenue as per Act	500,000,000.00
7	AIA	847,382,860.00
	Grand Total	14,821,204,142.00

The financial statement submitted gives an expenditure outlay of Kshs. 14,164,547,621 indicating an expenditure of less Kshs. 656,656,521 of the approved amounts. The difference relates to AIA in the ministry of Health for facilities.

2.1 REVENUE

Mr. Speaker,

In the period under review, the County transferred from CRF account to respective operational accounts Kshs. 6,303,156,902. This represents 45% revenue realization from equitable fund as opposed to 75% expected. Revenue realization from local revenue stood at 10%, level 4 and 5 Health facilities are not included.

Exchequer Releases

Description	Period ended 31 st March 2023	Comparative period March 2022.
	Kshs.	Kshs
Total Exchequer release quarter 1	1,664,556,086	1,514,522,313
Total Exchequer release quarter 2	2,409,398,463	2,821,653,159
Total Exchequer release quarter 3	2,229,202,353	2,271,332,689
Total	6,303,156,902	6,607,332,689

The department of Youth and Sports had an annual approved budget of Kshs.234,154,628, made up of Kshs.109,476,000 development, Kshs. 45,086,444 recurrent expenditure and Kshs.79,592,184 under supplier on credit.

2.2 EXPENDITURE

Mr. Speaker,

Receipts and payments for the period ended 31st March 2023

Of the Kshs.6,303,156,902 received during the period, Kshs.99,456,109 was from National Agricultural and Rural inclusive Growth Project (NARIGP) and Kshs.5,344,642 from Agricultural sector Development Support Project (ASDSP).

Kshs.6,204,930,588 of the amount received was utilized in the period translating to 44% absorption. Key Expenditure items include personnel emoluments 57%, office operations 17% and 6% development

Kshs.772,981,290 was transferred to the Assembly.

The table below illustrates the distribution;

	Period ended 31st March 2023	Comparative period 31st March 2022
	Kshs.	Kshs.
Receipts		
Exchequer releases (Transfer from CRF)	6,303,156,902	6,607,508,161
Other receipts (Mabanga ATC)	18,395,495	16,616,359
Total receipts	6,321,552,397	6,624,124,520
Payments		
Compensation to employees	3,512,979,410	3,218,169,746
Use of goods and services	1,032,758,738	936,293,433
Transfer to other Government entities	772,981,290	696,343,439
Other grants and transfers	489,256,980	517,327,834
Social security benefits	46,456,661	2,275,629
Acquisition of assets (pg25)	348,638,108	900,272,579
Other payments	1,859,400	121,816,408
Total payments	6,204,930,588	6,392,499,067
Surplus /deficit	116,621,809	231,625,453

The Department of Youth and Sports had total of Kshs.22,369,323 that was absorbed under recurrent expenditure during the period under review.

Some of the expenses included:

- i. Personnel emoluments Kshs.9,051,043
- ii. Boards and conferences Kshs.2,334,700
- iii. Contracted Technical services Kshs.2,400,000
- iv. Temporary committees Kshs.1,859,480
- v. Travel Kshs.1,367,000
- vi. Subsistence allowance Kshs.1,594,000
- vii. Accommodation Ksh. 818,500
- viii. Field allowance Kshs.527,600

The absorption of the Development budget in the period under review was Ksh. 99,637,679 broken down as:

1. Supplier credit with a budgetary allocation of Kshs.79,592,184 had an absorption of Kshs.21,431,941.
2. Other infrastructure and civil works with an allocation of Kshs.90M had an absorption of Kshs.78,205,738.

2.3 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Mr. Speaker,

Budget execution by programmes and sub-programmes indicate the programmes executed were;

- a) Development of sports facility with a budgetary allocation of Ksh. 178,268,504 and it had an absorption of Ks.99,637,679
- b) Sports and Talent development with an allocation of Ksh.6,000,000 had no absorption.

- c) Youth Development services with an allocation of Kshs.11,000,000 had no absorption during the period.

2.4 ACCOUNTS PAYABLE

Mr Speaker,

Pending accounts payables (pending bills) outstanding balance as at 31st March across all the departments was Kshs. 877, 993,699. A total of Kshs.316,728,948 was paid towards offsetting the bills in the period under review. The outstanding amount is broken down in the report as follows:

DEPARTMENT	AMOUNT Kshs,
Finance and Economic Planning	287,662,821
Roads	226,152,585
Health	189,193,467
Agriculture	96,378,124
Water	9,525,805
Youth & sports	7,086,807
Trade	12,528,550
Public Administration	16,201,992
Office of the Governor	6,959,268
Education	9,862,936
Housing	7,748,762
Lands	3,633,517

Public service Board	3,350,210
County Secretary	1,361,055
Tourism	347,800
TOTAL	877,992,699

The Department of Youth and Sports had Accounts payable (Pending bills) of Ksh.105,868,726 at the beginning of the financial year, an amount of Kshs.98,781,918 was paid during the period leaving a balance of Kshs.7,086,807.

2.5 Accounts Receivables (outstanding Imprests).

Mr. Speaker,

The Youth and Sports department had a total imprest of Ksh. 4,818,900. During the period, the amount was reduced to Ksh. 1,641,600.

CHAPTER THREE

3.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

3.1 Committee General Observations

Mr. Speaker,

The committee made the following observations.

1. The department of Youth and Sports had an outstanding imprest of Kshs. 1,641,600, as at the end of the third quarter. The imprest is beyond seven days which contravenes the PFM Act, 2012.
2. Kshs. 6,000,000 planned for KYSA games was reduced to Kshs. 2,000,000 in the Supplementary budget and as such could not finance the KYSA games, therefore, it was channeled to support para-volley team.
3. There was a spent imprest for the launch of AJIRY program which wasn't launched. According to the department, the money was diverted to supporting the para-volley team to a national event. However, the department did not provide the evidence/attach documents on the same.
4. While declaring pending bills, the department did not include pending amount payable for Masinde Muliro stadium which had a contract sum of Ksh. 679,386,376, total amount paid was Ksh. 580,024,381, the current year allocation of Ksh. 60,000,000 leaving a balance of Ksh. 36,361,995.
5. The absorption of the development budget in the Period under review was Ksh. 99,637,679 out of Ksh. 189,068,184 translating to 53% of the total budget due to low exchequer release.

3.2 Committee Recommendations

Mr. Speaker,

The following recommendations were made by the Committee:

1. **That**, the department should adhere to the requirements of the PFM Act, 2012 to surrender imprests within seven days of arriving from travel.
2. **That**, the County Government should not re-allocate money meant for projects and activities in the department.
3. **That**, the department to declare the pending bills when preparing proposed budget estimates to avoid unnecessary litigation and accumulation.
4. **That**, the departments should be submitting its annual work plan to the Committee for comparison and purposes of reporting.

ADOPTION SCHEDULE

We the undersigned members of the Youth and Sports Committee, append our signatures adopting this report with the contents therein.

1. Hon. Violet Makhanu	Chairperson	
2. Hon. Grace Sundukwa	V/Chairperson	
3. Hon. Job Mukoyandali	Member	
4. Hon. Metrine Wilson	Member	
5. Hon. Cornelius Makhanu	Member	
6. Hon. Charles Nangulu	Member	
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12. Hon. Everlyne Anyango	Member	
13. Hon. Abraham Obama	Member	
14. Hon. Martin Chemorion	Member	
15. Hon. Florence Juma	Member	