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REPUBLIC OF KENYA

COUNTY GOVERNMENT OF BUNGOMA

COUNTY ASSEMBLY OF BUNGOMA
(LLPCS)
14 FEB 2024
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COUNTY ASSEMBLY OF BUNGOMA

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(LLPCS)
14 FEB 2024
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THIRD ASSEMBLY, SECOND SESSION

**REPORT OF AGRICULTURE, LIVESTOCK, FISHERIES,
IRRIGATION AND COOPERATIVES DEVELOPMENT**

ON

**THE BUNGOMA COUNTY GOVERNMENT FOURTH QUARTER
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE,
2023**

COUNTY ASSEMBLY OF BUNGOMA
(LLPCS)
14 FEB 2024
Tabled
By: *[Signature]*

Clerk's Chambers

November, 2023

County Assembly Buildings

PO BOX 1886,

BUNGOMA, KENYA

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CHAPTER ONE

1.0 Preamble

Mr. Speaker Sir, it is my singular duty to present the report by the Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development on the Bungoma County Government Fourth Quarter Financial Statements for the Period ended 30th June, 2023 in respect to the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development. The document was tabled in this House on 26th October, 2023 and was 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 Sir,

The Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development is a Select Committee established pursuant to the provisions of Standing Order No. 217 of the County Assembly of Bungoma and executes its mandate in accordance with Standing Order 217(5) read together with the second schedule of the same Standing Orders.

Standing Order 217(5) states that;

“5. The function of a Sectoral Committee shall be to;

- a) Investigate, inquire and report 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, 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.”

While the Second Schedule of the Standing Orders specifies that the Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development should consider all matters related to Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development, crop and animal husbandry, Livestock Sale Yards, County Abattoirs, animal control and welfare including licensing of dogs facilities for accommodation, care and burial of animals, veterinary services (excluding regulation of the profession), plant and animal disease control, irrigation development and cooperative societies.

1.2 Committee Membership

Mr. Speaker Sir, the Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development as currently constituted comprises the following Members:-

- | | |
|---------------------------|------------------|
| 1. Hon. Wafula Waiti | Chairperson |
| 2. Hon. Idd Owongo | Vice Chairperson |
| 3. Hon. Everlyne Mutiembu | Member |
| 4. Hon. Isaiah Sudi | Member |
| 5. Hon. Alice Kibaba | Member |
| 6. Hon. Allan Nyongesa | Member |
| 7. Hon. Alfred Mukhanya | Member |
| 8. Hon. Franklin Simotwo | Member |
| 9. Hon. Jerusa Aleu | Member |
| 10. Hon. Benard Kikechi | Member |
| 11. Hon. Caleb Wanjala | Member |
| 12. Hon. Edwin Opwora | Member |
| 13. Hon. George Tendet | Member |
| 14. Hon. Martin Chemorion | Member |

15. Hon. Metrine Nangila Member

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

Mr. Speaker Sir, in the execution of its mandate, the Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development is given a legal backing under the Public Finance Management Act, 2012, County Governments Act, 2012 and the Constitution of Kenya 2010. These statutory provisions 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.*

Section 149(1) (a) and (b) of the PFM Act 2012 provides as follow...*“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 Sir, may I take this opportunity to thank the Offices of the Speaker and Clerk for giving the Committee logistical support that made this exercise a success.

I also appreciate the Honorable members and the secretariat of the Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development for dedication in carefully examining the 4th Quarter Financial Statements FY 2022/23 for period ended 31st June, 2023 and compilation of this report.

Further, this Committee extends its gratitude to the Executive Arm of the County Government, Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development for honoring the invitation to appear before the Committee for the interrogation and shedding light in addition to providing supporting documents as requested by the Committee.

Mr. Speaker Sir, it is therefore my privilege, on behalf of this Committee to table the Report on 4th Quarter Financial Statements Financial FY 2022/23 for period ended 31st June, 2023 in respect to the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development.

Signed  Date 5/2/2024

**HON. WAFULA WAITI – MCA NAITIRI KABUYEFWE WARD
CHAIRPERSON, AGRICULTURE, LIVESTOCK, FISHERIES, IRRIGATION
AND COOPERATIVES DEVELOPMENT**

CHAPTER TWO

2.0 KEY HIGHLIGHTS ON THE BUNGOMA COUNTY FOURTH QUARTERLY REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH JUNE, 2023

2.1 Actual revenue received in the Fourth Quarter of the Financial Year 2022/23

Mr. Speaker Sir,

In the financial year 2022/2023, the County had projected revenues of Kshs.14,824,738,616 as at 30th June

, 2023, the total actual amount received by the County was Kshs. 11,863,518,430 hence a deficit of Kshs. 2,961,220,186.

The source of the amount was as shown here below;

- a) Exchequer releases Kshs. 11,863,518,430
- b) Other receipts (Mabanga ATC) Kshs. 27,120,967
- c) Equitable share b/f Kshs. 867,288,520
- d) Local revenue Kshs. 330,427,053
- e) Grant- NARGIP Kshs. 180,705,535
- f) Grant- ASDSP II Kshs. 5,344,642
- g) Kenya Urban Support Program Kshs. 3,534,475
- h) FLLOCA Kshs. 11,000,000

The amount was after approval of the Second Supplementary Budget in the FY 2022/23, the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development was allocated Kshs. 1,232,138,834 comprising of Kshs. 449,036,159 for the recurrent vote and Kshs. 770,036,212 for development vote respectively.

There was a positive realization in some revenue streams in the department despite the fact that there was a deficit in the general revenue generation and hence the target was not met.

2.2 Revenue Performance

The revenue performance of Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development as at 30th June, 2023 was as shown below:

No.	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue collected (Kshs.)	Variance
1.	Exchequer	855,433,374	843,361,216.9	-12,072,157.08
2.	Conditional Grants	346,536,374	346,595,427.4	59,053.40
3.	Mabanga Agricultural Training Centre	23,112,086	21,737,621.7	-1,374,464.30
4.	Mabanga Agricultural Mechanization Centre	3,000,000	3,891,010	891,010.00
5.	Livestock/ Vet Fees	3,507,000	2,678,540	-828,460.00
6.	Cooperative Audit Fees	450,000	702,455	252,455.00
7.	Chwele Fish Farm-Sale of Fish	100,000	106,100	6,100.00
Total		1,232,138,834.00	1,219,072,371	-13,066,462.98

2.3 Budget Execution by Programmes and sub programmes.

A breakdown on the budget execution of programmes and sub-programmes indicated as follows:

- General Administration, Planning and Support Service, the approved allocation was Kshs. 381,869,860, the department absorbed Kshs.380,640,436 representing 99% absorption rate.

- Human resources management, the approved allocation was Kshs. 322,429,082, the department absorbed Kshs.322, 213,148 representing 100% as the absorption rate.
- The land and crop development consist of crop production and productivity, value addition and agro processing and irrigation extension and training had approved allocation of Kshs. 367,955,000 the department utilized Kshs.367,955,000 at 100% absorption rate.
- Livestock production development management had approved allocation of Kshs.56,310,000 with an expenditure of Kshs. 51,595,296 at an absorption rate of 92%
- Disease and vector control had approved allocation of Kshs.7,000,000, the department absorbed Kshs. 6,260,000 representing 89%.
- Food safety and quality control had approved allocation of Kshs. 5,500,000 the department absorbed Kshs. 5,259,005 representing 96%.
- The fisheries development and management on extension service, training, product value chain development, production, agro-processing and value addition had approved allocation of Kshs. 6,500,000 with expenditure of Kshs.6, 182,145 at 95% absorption rate.
- The Agricultural enterprise development (ATC) had a recurrent expenditure of Kshs. 6,400,360 at an absorption rate of 98%
- Tractor hire services had approved allocation of Kshs. 5,000,000, the same was absorbed representing 100%
- NARIGIP had development expenditure as 30th June 2023 at Kshs.332, 916,544 at an absorption rate of 96%.
- ASDSP II approved allocation of Kshs. 13,619,830 as at 30th June 2023 the department absorbed Kshs. 25,623,956 at an absorption rate of 188% in surplus of Kshs. 12,004,126. The Committee was informed that the surplus was as a result of carry overs from previous financial years by the donors as conditional grants.
- Ward based projects has an allocation of Kshs. 17,848,000 had an expenditure Kshs. 12,999,745 at an absorption rate 73%.
- The pending bills for the department was Kshs. 120,443,089, the department has paid Kshs. 24,522,966 leaving a balance at Kshs. 95,920,124 as at 30th June, 2023.
- The department had an approved supplier credit of Kshs. 7,578,853 under recurrent of Kshs. 50,098,437 and development Kshs. 6,427,336 for Ward based projects.

CHAPTER THREE

3.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

3.1 Committee General Observations

Mr. Speaker,

From the submitted fourth quarter report and the oral submissions during the interrogations, the committee observed the following.

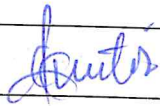
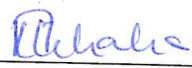

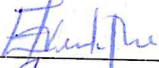
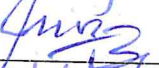






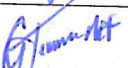
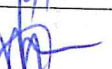
- (i) Kshs. 27,120,967 was realised from Mabanga ATC which is 15% of the total expected County's Appropriation In Aid
- (ii) Mabanga Agricultural Mechanization Centre, Cooperative Audit Fees and Chwele Fish Farm surpassed their targeted revenue collection.
- (iii) Cooperatives Development had nil allocation in development vote.
- (iv) The executed programmes were not broken down into activities for the disclosure of detailed information on the actual budget implementation.
- (v) There was no breakdown to ascertain the number of casual in the department and other institutions within various sections in the department despite the allocation reporting 100% absorption.
- (vi) During the period under review Kshs. 32,531,259 was paid for crop insurance of 45002 farmers and 100% absorption rate was recorded. However, details in regard to the actual beneficiaries were not provided to warrant the expenditure.
- (vii) Despite recording a high absorption rate from donor funding i.e NARIGIP and ASDSPII the impact of the programme would not be confirmed.
- (viii) Prioritization for clearance of pending bills was not observed.
- (ix) The financial statements did not capture the operations and expenditure reports of Chwele fish farm, hence contravening Section 166 of Public Finance Management Act, 2012.
- (x) The Pending staff receivables (outstanding imprest holders) in the department of Kshs. 3,276,225 had all been cleared and none was outstanding at the time of interrogation.

3.2 General Recommendations

- (i) Pending bills should be given first charge and settled in compliance with the presidential directive that is still in place.
- (ii) The Department should strive to ensure optimum realization of Appropriation in Aid (AIA) and reporting.
- (iii) In subsequent financial years, the department should provide an allocation in development vote for Cooperatives Development to revive the Sector
- (iv) At the time of financial disclosure the department should ensure that the executed programmes are broken down and activities clearly outlined for transparency and accountability as per the approved budget.
- (v) The Committee affirms that Crop Insurance Budget should be done away with until the requisite guideline framework is put in place.
- (vi) The number of casual in the department and other institutions within various sections in the department should be clearly elaborated to match the 100% absorption as reported.
- (vii) The impact of programmes funded by donors are yet to be felt and the department is tasked to undertake viable and feasible projects for the benefit of the residents of the county.
- (viii) Strict compliance to Section 166 of Public Finance Management Act, 2012 should be adhered to in future financial statements reporting in regard to Chwele Fish Farm.
- (ix) The Department is encouraged and directed to ensure compliance to the provisions of regulation 93(5) and (6) of the Public Finance Management Regulations 2015 as read together with section 197(k) of the PMF Act 2012 in respect to management of imprests.

ADOPTION SCHEDULE

We the undersigned members of the Sectoral Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development do append our signatures adopting this report with the contents therein.

NO.	NAME	DESIGNATION	SIGNATURE
1.	Hon. Wafula Waiti	Chairperson	
2.	Hon. Idd Owongo	Vice Chairperson	
3.	Hon. Alice Kibaba	Member	
4.	Hon. Allan Nyongesa	Member	
5.	Hon. Everlyne Mutiembu	Member	
6.	Hon. Alfred Mukhanya	Member	
7.	Hon. Franklin Simotwo	Member	
8.	Hon. Jerusa Aleu	Member	
9.	Hon. Isaiah Busolo	Member	
10.	Hon. Bernard Kikechi	Member	
11.	Hon. Caleb Wanjala	Member	
12.	Hon. Edwin Opwora	Member	
13.	Hon. George Tendet	Member	
14.	Hon. Martin Chemorion	Member	
15.	Hon. Metrine Nangila	Member	