COUNTY GOVERNMENT OF BUNGOMA

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COUNTY ASSEMBLY OF BUNGOMA
OFFICE OF THE CLERK

THIRD ASSEMBLY

FIFTH SESSION

SECTORAL COMMITTEE ON FINANCE AND ECONOMIC PLANNING

To schedule 24/6/26

REPORT ON FINANCIAL STATEMENTS AND REPORTS FOR THE PERIOD ENDED 31ST DECEMBER,2025

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
15 JUL 2026
TABLED
By: Hon. George Makari

Clerk's Chambers,
County Assembly Buildings,
P.O BOX 1886 – 50200,
BUNGOMA, KENYA

JUNE, 2026

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
15 JUL 2026
NOTICE ISSUED
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CHAPTER ONE

1.1 Preface

Hon. Speaker

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.

1.2 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 recommendation 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.

1.3 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

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

Mr. Speaker.

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:

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

1.5 Acknowledgment

Mr. Speaker.

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 Hon.House.

Signed.. Date..23/6/2026...............................

Hon. Godfrey Wanyama , MCA West Sang'alo ward .

Vice Chairperson, Sectoral Committee on Finance and Economic Planning.

CHAPTER TWO

2.1 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**

2.2 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	38,644,493.00		

security schemes			
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**

2. 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.

Description	Period ended Dec 2025	Comparative Period	Variance
	Kshs	Kshs	Kshs
Other operating expenses including bank Charges	241,373,185	109,060,999	132,312,186
Insurance costs	150,029,812	51,747,799	98,282,013
Routine maintenance – other assets	45,247,038	10,659,209	34,587,828
Utilities, supplies and services	22,082,868	8,270,700	13,812,169
Training expenses	19,219,143	9,418,003	9,801,139
Fuel Oil and Lubricants	30,067,319	20,998,442	9,068,877
Specialized materials and services	63,702,320	54,793,678	8,908,642
Foreign travel and subsistence	3,182,179		3,182,179
Office and general supplies and services	5,885,403	3,458,605	2,426,798
Others- Research	1,727,830	48,800	1,679,030
Communication, supplies and services	3,029,870	1,536,616	1,493,254
Routine maintenance – vehicles and other transport equipment	2,923,991	2,640,763	283,228
Printing, advertising, and information supplies & services	878,180	1,640,194	-762,014
Rentals of produced assets	17,241	4,297,931	-4,280,690
Hospitality supplies and services	47,486,918	52,275,392	-4,788,474
Purchase of Certified Crop Seed and strategic stock	386,790	8,995,504	-8,608,714
Domestic travel and subsistence	73,934,577	119,297,939	-45,363,362
Total	**711,174,666**	**459,140,575**	**252,034,091**

1. **Transfer to other government entities**

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

2. **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

6. **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.

3. 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 Regulation, 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.

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 Standards. 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.

vi). 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 eg 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**

2. **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.

CHAPTER THREE

3.1 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. 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.

CHAPTER FOUR

4.1 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

4.1.1. 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.

5.1.2 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.

ADOPTION SCHEDULE

We, Members of Finance and Economic Planning Committee hereby append our signatures adopting this report with its recommendations.

S/NO.	NAME	DESIGNATION	SIGNATURE
1.	Hon. Polycarp Wandabusi	Chairperson	
2.	Hon. Godfrey Mukhwana	V/Chairperson	
3.	Hon. Stephen Wamalwa	Member	
4.	Hon. Jack Kawa	Member	
5.	Hon. Vitalis Wangila	Member	
6.	Hon. Anthony Lusenaka	Member	
7.	Hon. Grace Sundukwa	Member	
8.	Hon. George Makari	Member	
9.	Hon. Joan Kirong	Member	
10.	Hon. Catherine Kituyi	Member	
11.	Hon. Aggrey Mulongo	Member	
12.	Hon. Miliah Masungo	Member	
13.	Hon. Violet Makhanu	Member	
14.	Hon. Tony Barasa	Member	
15.	Hon. Hentry Nyongesa	Member	

Annexures

Departmental submissions on Half year financial statements for FY 2025/2026