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COUNTY ASSEMBLY OF BUNGOMA

THIRD ASSEMBLY

FIFTH SESSION

COMMITTEE ON LANDS, URBAN, PHYSICAL PLANNING AND HOUSING

REPORT ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER, 2025 FOR THE DEPARTMENT OF LANDS, URBAN, PHYSICAL PLANNING, HOUSING AND MUNICIPALITIES

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
15 JUL 2026
TABLED
By: Hon. Maureen Kalia

May, 2026

Clerks Chambers
County Assembly Buildings,
P.O BOX 1886 - 50200
BUNGOMA, KENYA.

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
15 JUL 2026
NOTICE ISSUED
By: Hon. Maureen Kalia

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CHAPTER ONE

1.0 EXECUTIVE SUMMARY

Hon. Speaker.

The committee conducted interrogation of the financial statements and reports for the period ended December, 2025 to seek clarity on the expenditures and the rate of absorption of the budget.
Pursuant to section 166(4) of the PFM Act 2012, the County Treasury is mandated to prepare quarterly reports on all county departments and submit the same to the County Assembly not later than 30 days of the succeeding month after the end of each quarter. It is in this regard that the County Executive Committee Member for Finance and Economic Planning submitted the Bungoma County quarterly report and financial statements for the period ended December, 2025.

The report was subsequently tabled in this House and the Hon. speaker directed that the report be committed to all sector committees for legislative processing and reporting.

Hon. Speaker, the quarterly reports and financial statements presents budget execution status covering the period under review with comparative actual achievements and budget amounts for the previous financial year. Further, it contains the revenue performance both locally generated and an equitable share from the National Government.

Finally, the Committee has comprehensively considered the financial statements and report for the period ended December, 2025 and presents this as the committee report for consideration by this House.

It is my pleasant duty to present the report on the financial statements and report for the period ended December, 2025 in respect to the department of Lands, Urban Physical Planning, Housing and Municipalities.

1.2 FISCAL AND LEGAL FRAMEWORK

Hon. speaker, *Article 226(2)* of the Constitution of Kenya, 2010 states that, the Accounting Officer of the National Public entity is accountable to the National assembly, while the Accounting Officer of a County Government entity is accountable to the County Assembly for its financial management.

According to ***section 116 of the Public Finance Management Act, 2012***, an Accounting officer for a County Government entity shall prepare a report for each quarter of the financial year in respect of the entity. Further, the section requires the accounting officer of the county government entity to ensure that the quarterly report;

- Contains information on the financial and non-financial performance of the entity, and is in a form that complies with the standards prescribed and published by the Public Sector Accounting Standards Board.

The section also requires that not later than fifteen (15) days after the end of each quarter, the Accounting Officer shall submit the quarterly report to the County Treasury. It also requires the County Treasury to consolidate the financial statements within one month following the end of the quarter and to submit to County Assembly with a copy to National Treasury, Controller of Budget and the Commission on Revenue Allocation.

Obligations of Accounting Officers

Mr. Speaker Sir, *Section. 149(1) of the PFM Act 2012*, states that;

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.*

Accounting officers will be accountable to County Assembly for;

- *Ensuring the most effective means of achieving desired programme outcomes are used.*
- *Maintaining effective systems of internal control and the measures taken to ensure that they are effective.*

- *Measures taken to prepare the financial reports that reflect a true and fair view of the financial position of the department.*

It is in the considered opinion of the Committee that the Accounting Officer in the department observed the Principles of Public Finance as laid down in ***Article 201 of the Constitution, 2010*** in managing the finances of the entity in the period under review.

1.3 MANDATE OF THE COMMITTEE

Mr. Speaker Sir,

The sectoral Committee on Lands, Urban, Physical Planning and Housing is constituted pursuant to the provisions of Standing Order No. 217 of the Bungoma County Assembly Standing Orders and executes its mandate in accordance with Standing Order No.217(5) which provides that, 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, coordination, control and monitoring of budget;
b. Consider quarterly reports of the assigned departments and report to the House within twenty-one (21) sitting days upon being laid;
c. Study the programme and policy objectives of departments and the effectiveness of the implementation;
d. Study and review all county legislation referred to it;
e. Study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;
f. 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;
g. To vet and report on all appointments where the constitution or any law requires the County Assembly to approve, except those under Standing order 208(Committee on Appointments); and
h. Make reports and recommendations to the County Assembly as often as possible, including recommendations of proposed legislation.

1.4 TERMS OF REFERENCE

Hon. Speaker.

During the Committee sitting and as had been directed by Hon. Speaker on the floor of the House, the committee embarked on interrogation of the financial statements and reports for the period ended December, 2025 with the following guiding principles: -

i. To interrogate the departmental financial statements for both recurrent and development exchequer releases.
ii. To interrogate the Budget implementation reports; projects implemented as per the approved PBB and activity costing.
iii. Interrogate the personnel expenditures in the period under review
iv. Interrogate the CEF project implementation status in the department for FY 2024/25
v. Interrogate the status of the outstanding Imprest and pending accounts payable

1.5 MEMBERSHIP TO THE COMMITTEE

Hon. Speaker.

The current composition of the Committee on Lands, Urban, physical Planning and Housing is as follows:

1.	Hon. Johnston Ipara	Chairperson
2.	Hon. Orize Kundu	Vice/Chairperson
3.	Hon. Joan Kirong'	Member
4.	Hon. Aggrey Mulongo	Member
5.	Hon.Wafula Waiti	Member
6.	Hon. George Makari	Member
7.	Hon. Eunice Kirui	Member
8.	Hon. Mildred Barasa	Member
9.	Hon. Edwin Opwora	Member
10.	Hon. Hon. Jeremiah Kuloba	Member
11.	Hon. Linda Kharakha	Member
12.	Hon. Plycarp Kimeta	Member
13.	Hon. Cornelius Makhanu	Member
14.	Hon. Mourine Katila	Member

1.6 ACKNOWLEDGEMENT

Hon. Speaker.

I take this opportunity to thank the Office of the Speaker and the Clerk of the County Assembly for the logistical support accorded to the Committee as it executed its mandate. My gratitude also goes to all members of the Committee for dedicating their time to examine the financial statements and reports for the period under review.

Hon. Speaker, it is therefore my pleasant duty and privilege, on behalf of the Sectoral Committee on Lands, Urban, physical Planning and Housing, to table this report to the Assembly for consideration and adoption.

Thank you.

Sign ....Date...24/06/2026...................

HON. JOHNSTON IPARA, MCA, TONGAREN WARD
CHAIRPERSON, COMMITTEE ON LANDS, URBAN, PHYSICAL PLANNING AND HOUSING

CHAPTER TWO

2.1 LANDS URBAN AND PHYSICAL PLANNING

Hon. Speaker.

The total budget for the department for the financial year 2025/26 was Kshs. 123,766,170 as per the approved annual budget comprising a total of; kshs. 27,674,947 Recurrent budget and Kshs. 97,875,438 Development budget.

The total fund received and spent by the Department was Kshs. 4,386,612.20 all of them for recurrent expenditure representing 3.5% budget performance against a target of 50%.

BUDGET EXECUTION BY CLASSIFICATION

Recurrent expenditures

The absorption of the budget on recurrent was Kshs 4,386,612.20 translating to a rate of 16% of the Approved recurrent vote. The expenditures were as follows:

- Utilities and supplies (Electricity, water and sewerage) with an approved budget of kshs.120, 000 incurred an expenditure of zero.
- Communications supplies services (Telephone Telex and mobile phone services and Internet connections) had nil utilization against the approved allocation of kshs. 468,000
- Domestic Travel with an allocation of kshs. 2,393,939 had an expenditure of kshs. 622,096.55 (26%)
- Printing, advertising, and publishing services with an allocation of kshs. 575,600 had nil absorption.
- Training expenses with an allocation of Kshs. 1,656,400 had an expenditure of kshs. 581,563.90 (35%)
- Hospitality Supplies with an allocation of Kshs. 3,481,800 had an absorption of Kshs. 653,303.45 (19%).
- Motor vehicle insurance had nil absorption from an allocation of Kshs. 539,000.
- Office General supplies kshs. 546,250 had nil absorption.

- Refined fuels and lubricants for transport utilized kshs. 694,700 against the allocation kshs. 1,389,400(50%)
- Other operating expenses with an allocation of kshs. 14,154,558 had an expenditure of Kshs. 1,421,600 (10%)
- Routine Maintenance Expense- motor vehicles had an expenditure of kshs. 412,000 against the approved kshs. 1,500,000(27%)
- Routine Maintenance of other assets like computers, software and Networks with an approved allocation of kshs. 450,000 had nil absorption.
- Purchase of Computer, Printers and other IT equipment with an allocation of kshs. 400,000 had nil expenditures.

Submission from the department

1. The department submitted that non-expenditure or nil absorption on several votes in the approved budget including the purchase of furniture, general office supplies, fuel oil lubricants, routine maintenance like most development votes such as supplies credit and purchase of land were all procurable. Procurement was delayed by issues in EGP but procured had since been done.

Development expenditures

Hon. Speaker.

Infrastructural development had an allocation of kshs. 96,091,223 with nil absorption on the following programs;

1) GIS Lab kshs. 30,000,000

2) Ward based projects kshs. 25,065,000

3) Valuation roll preparation kshs. 1,026,223

4) Acquisition of land for Matulo Airstrip kshs. 40,000,000

Departmental submissions

The department submitted that the process of land identification and acquisition for Matulo airstrip has not been completed .

Committee observations

1. The committee noted that kshs. 30,000,000 monies meant for GIS Lab was removed during 1st supplementary
2. The amount of kshs. 40,000,000 for acquisition of land for Matulo Airstrip was also removed during 1st supplementary.

PENDING STAFF RECEIVABLES (Outstanding Imprests)

Outstanding Imprests in the Department were four with a cumulative value of Kshs. 8,725,300.

Departmental submissions

The un-surrendered imprests in the department were only two and had since been surrendered awaiting clearance.

Committee observations

A list of names for the un-surrendered imprests was submitted for consideration.

TRADE PAYABLES

The total accounts payables in the department at the beginning of the financial year was Kshs. 106, 549,221 (kshs. 9,355,683 being recurrent and Kshs.97, 193,538 as development).

Committee observations

There was no allocation in the department for pending bills in the budget as at 31st December, 2025 hence none was settled during the year under review.

2.2 HOUSING

Hon. Speaker.

The total budget for the financial year 2025/26 for the directorate of Housing was Kshs. 338,328,388 as per the approved annual budget comprising a total of Kshs. 28,428,198 Recurrent budget and Kshs. 319,900,190 Development budget respectively.

The total receipts and expenditure by the Directorate was Kshs. 43,806,566.40 (Kshs 21,303,566.40 recurrent and Kshs. 22,500,000 development expenditure) representing 10% budget performance against a target of 50%.

Budget Absorption

The budget performance for recurrent expenditure was Kshs. 21,303,566.40 which translates to 75% of the recurrent allocation. The absorption of the budget was as follows;

- Utility Supplies (Electricity, water and sewerage) with an approved allocation of Kshs. 102,000 had nil absorption.
- Communication supplies utilized zero absorption against the approved allocation of kshs. 168,000.
- Domestic Travel with an approved allocation of kshs. 1,000,000 had an expenditure of Kshs. 530,900 representing (53.09 %)
- Printing Advertising awareness utilized zero against the approved allocation of kshs. 370,000.
- Training expenses with an allocation of Kshs. 1,037,200 utilized kshs. 143,966.40 (13.88%).
- Hospitality supplies with an approved allocation of Kshs. 1,098,271 had an expenditure of Kshs. 228,900(20.84%)
- Motor vehicle insurance with an allocation of Kshs. 200,000 had nil expenditure
- Refined fuels and lubricants for transport utilized its entire allocation of kshs. 704,000 (100%).
- Other operating expenses with an allocation of Kshs. 1,487,700 had an expenditure of Kshs. 1,149,800(77.29%)

- Routine Maintenance Expense- motor vehicles with an allocation of Kshs. 550,000 had an expenditure of Kshs. 49,000(8.91%).
- Routine Maintenance of other assets with an approved allocation of Kshs. 1,750,000 had zero absorption.
- Other capital grants utilized the entire kshs. 18,500,000 as per the approved allocation (100%)
- Purchase of office furniture and general equipment with an allocation of kshs. 515,000 had nil absorption.

Development budget had approved allocation of **Kshs 39,900,190.** The budget performance under development was Kshs. 22,500,000 translating to 7%. The expenditure was on the other infrastructure works (construction of executive administrative Block Óffice).
KISIP grant with an allocation of Kshs. 297, 400,190 had nil expenditure.

TRADE PAYABLES

The total accounts payables in the department at the beginning of the financial year was Kshs. 5,369, 302 all recurrent. None was paid by the end of the period under review.

Departmental submissions

1. The department explained that most of the votes had not been spent due to delays caused by EGP but have by now been spent; the motor vehicle insurance was still active at the time of reporting but was then spent in the 3rd quarter.
2. The nil expenditure of the KISIP grant with an allocation of Kshs. 297, 400,190 was occasioned by non disbursement of the monies by the donor in the period under review hence the nil expenditure.
3. The KUSIP grant is utilized as it falls by the donor.
4. Reporting on expenditure on account payables is a collective responsibility involving several departments. The department of lands submitted that it had done its part and is waiting for other departments to complete documentation on expenditure of the accounts payables of Kshs. 5,369, 302.

2.3 BUNGOMA MUNICIPALITY

Hon. Speaker.

The Municipality had an approved budget of kshs.119,640,398 comprising kshs. 44, 248, 371 as recurrent and Ksh. 75,392,027 development expenditure.

The total expenditure budget for the period was Kshs. 10,733,209 representing 9% total budget absorption;

Budget execution by classification

Under Recurrent, with an approved budget of Kshs. 44,248,371, the department absorbed Kshs. 3,694,000 translating to 8% of the recurrent vote. This is broken down as follows:

- Personnel emolument with an approved budget of Kshs. 27,948,371 had nil expenditure. From the provided personnel vote, there was an expenditure of Kshs. 3,852,358.80.
- Domestic Travel and Subsistence with an allocation of Kshs. 4,054,250 had an expenditure of Kshs. 98,000 which represents 6% of the vote.
- Printing, Advertising and Information supplies services with an allocation of Kshs. 600,000 had nil expenditure.
- Training expenses with an allocation of Kshs. 1,000,000 had an expenditure of Kshs. 344, 400 (34% absorption).
- Hospitality with an allocation of Kshs. 6,000,000 had an expenditure of Kshs. 3,251,600 (54% absorption).
- Insurance expenses with an allocation of Kshs. 350,000had nil expenditure
- Office General Supplies and services with an allocation of Kshs. 300,000 had nil expenditure.
- Fuel oil and lubricants with an allocation of Kshs. 600,000 had nil expenditure
- Other operating expenses Kshs. 21,200 from an allocation of Kshs. 60,000 had nil expenditure.

- Routine maintenance of motor vehicle with an allocation of Kshs.300,000 had nil expenditure.
- KUSP grant had an allocation of Kshs. 8,750,000 had nil expenditure.

Under development, with an approved budget of Kshs. 75,392,027, the Municipality absorbed Kshs. 7,039,209 translating to 9% of the development vote. This is broken down as follows:

- KUSP grant with an allocation of Kshs. 55,065,924 had nil expenditure
- Other infrastructure and civil works (construction of Kanduyi bus park) with an allocation of Kshs. 20,326,103 had an expenditure of Kshs. 7,039,209 translating to 34% absorption.

OUTSTANDING IMPRESTS

The Municipality`s un-surrendered imprest appears in a general Departmental list.

Departmental submissions

1. The department submitted that most of the imprests have since been surrendered awaiting clearance by the finance.
2. The department also submitted that the Municipality paid a total of Kshs. 2.9 million on board committee allowances and ICPAK fees.

ACCOUNTS PAYABLES

The submitted financial statement and reports did not provide the Accounts payables for the Municipality.

Departmental submissions

1. The Municipality boards were paid the back log from February, 2024 in September 2025. The rest of their sitting allowances were not allocated for in the 1st Supplementary budget as had been expected and are part of the pending payment.
2. Most of the votes in the approved budget such as insurance cost, purchase of motor vehicles, maintenance of motor vehicles and

communication supplies were not expended due to delays in releasing of the exchequer by the national treasury.

3. The KUSP grant (development) of Kshs. 55,065,924 was not received by the department.

2.4 KIMILILI MUNICIPALITY

Hon. Speaker.

The Municipality had an approved budget of kshs.95,337,575 comprising kshs.43,690,318 as recurrent and Ksh. 87,095,957 development expenditure. The overall budget expenditure by the mid of the financial year was Kshs. 1,076,100 all recurrent indicating a 1% absorption.

Budget execution by classification

Recurrent, with an approved budget of Kshs. 43,690,318, had an absorption of Kshs. 1,076,100 translating to 2% of the recurrent vote. This is broken down as follows:

- All programs in recurrent had nil expenditures except Hospitality supplies which had an expenditure of Kshs. 1,076,100 from an allocation of Kshs. 3,605,110 (30%). The following are the votes with their allocations;

- Personnel emolument with an approved budget of kshs.18,081,192.
- Utilities Supplies and Services with an allocation of Kshs.262,500
- Communication Supplies and Services with an allocation of Kshs. 210,000
- Domestic Travel and Subsistence with an allocation of Kshs. 2,500,000
- Printing, Advertising and Information supplies services with an allocation of Kshs. 525,000
- Training expenses with an allocation of Kshs. 3,608,133.
- Hospitality with an allocation of Kshs. 3,605,110
- Insurance expenses with an allocation of Kshs. 315,000
- Specialized materials with an allocation of Kshs. 525,000
- Office General Supplies and services with an allocation of Kshs. 735,000

- Fuel oil and lubricants with an allocation of Kshs. 861,000
- Other operating expenses Kshs. 31,500
- Routine maintenance of other assets with an allocation of Kshs.950,883
- KUSP grant with an allocation of Kshs. 8,750,000.
- Purchase of office furniture with an allocation of Kshs. 420,000
- Research and feasibility studies with an allocation of Kshs. 2,100,000.

Under development, with an approved budget of Kshs. 87,095,957, the absorption is nil. The allocation was on the following votes:

- KUSP grant with an allocation of Kshs. 45,368,215.
- Other infrastructure and civil works with an allocation of Kshs. 39,727,742.
- Overhaul of Other infrastructure and civil works with an allocation of Kshs. 2,000,000 had nil expenditure.

OUTSTANDING IMPRESTS

The Municipality`s un-surrendered imprest appears in a general Departmental list and thus needs to be separated.

Departmental submission

1. The department submitted that most of the imprests have since been surrendered awaiting clearance by the finance.

ACCOUNTS Payables

The submitted financial statement and reports did not provide the Accounts payables for the Municipality.

Departmental submissions

1) Kimilili Municipality received the grant of Kshs. 45,368,215 and has done advertisement of the projects.
2) The municipality has since paid the amount of Kshs. 2,000,000 meant for the overhaul of Other infrastructure and civil works.

CHAPTER THREE

3. 2 COMMITTEE RECOMMENDATIONS

Hon. Speaker.

The committee having made specific observations on each item discussed above, hereby made the following general recommendations;

1. **THAT**, the officers who fail to surrender imprests within seven days commit an offence and provision of section 92 (2) of the PFM Act shall apply. Additionally, if the Accounting officers fail to implement the provision of this section, they too are liable and section 92 (7) of PFMA shall apply

2. **THAT**, The Department and Municipalities should harmonize and verify the pending bills for their respective areas and ensure a report is submitted within 60 days from the adoption of this report.

3. **THAT**, County Treasury should consider budgeting for grant monies only when they are actually received to avoid affecting programs earmarked for using the grants allocations.

4. **THAT** the Department should strengthen budget implementation and procurement planning to ensure timely utilization of allocated funds across all recurrent and development expenditure votes. The Committee further recommends that procurement processes for planned activities be initiated early enough to avoid accumulation of expenditures in the fourth quarter of the financial year.

5. **THAT** the Department should prioritize the acquisition of land for the Matulo Airstrip project in the FY 2026/2027 budget and ensure that all valuation, compensation, and ownership issues are conclusively addressed before implementation to prevent further delays.

6. **THAT** the Department should ensure that adequate budgetary provisions are made for Municipal Board sitting allowances during budget preparation and supplementary budgeting processes to avoid accumulation of arrears and delays in payment.

7. **THAT** the County Treasury should enhance cash flow planning and engagement with the National Treasury to mitigate the effects of delayed exchequer releases. The Department should also strengthen expenditure planning to ensure timely implementation of approved activities once funds are received.

ADOPTION SCHEDULE

We, the members of Lands, Urban, Physical Planning and Housing committee hereby append our signatures adopting this report with its recommendations.

No	Name	Designation	Signature
1.	Hon. Johnston Ipara	Chairperson	
2.	Hon. Orize Kundu	Vice/Chairperson	
3.	Hon. Aggrey Mulongo	Member	
4.	Hon. Joan Kirong'	Member	
5.	Hon. Jeremiah Kuloba	Member	
6.	Hon. Hon. Polycap Kimeta	Member	
7.	Hon. Mourine Katila	Member	
8.	Hon. Edwin Opwora	Member	
9.	Hon.Wafula Waiti	Member	
10.	Hon. Mildred Barasa	Member	
11.	Hon. George Makari	Member	
12.	Hon. Cornelius Makhanu	Member	
13.	Hon. Eunice Kurui	Member	
14.	Hon. Linda Kharakha	Member	